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NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

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The New Mexico Economy: 1988 and 1989

U.S. REVIEW

The U.S. economy continued its strong growth during 1988. Real gross national product (GNP) increased 3.8 percent, the largest increase in several years. Total civilian employment increased 3.6 percent, while the unemployment rate fell to 5.5 percent, lowest this decade. Inflation, as measured by the Consumer Price Index—All Urban Consumers (CPI-U), was 4.1 percent, slightly higher than in 1987.

For the consumer, 1988 was a good year. Personal income was up 7.5 percent, or more than a thousand dollars per person. Real disposable income rose a hefty 3.8 percent, and real consumption expenditures by 3.7 percent.

For the business sector, 1988 was also a pretty good year. After-tax profits soared by almost $20 billion, or 12.6 percent, as industrial production advanced 5.7 percent, boosted by a 3.4 percent productivity gain. Although interest rates were generally higher than in 1987, business fixed investment increased 9.5 percent, mostly in durable equipment, as producers appeared somewhat optimistic about the near term.

In the federal government sector, even though receipts grew faster (7.7%) than expenditures (4.6%), the budget deficit increased to $155 billion during fiscal year 1988, slightly larger than the Gramm-Rudman-Hollings target.

Internationally, last year saw the dollar become weaker vis-a-vis other major currencies, stimulating exports, which increased 17.7 percent over 1987. The annual balance of payments deficit fell more than $20 billion to $132.2 billion.

NEW MEXICO REVIEW

Following a rather weak 1987 performance, the New Mexico economy enjoyed a modest recovery in 1988. Total nonagricultural employment rose 2.1 percent, or about eleven thousand jobs, considerably better than the meager 0.6 percent gain in 1987. The unemployment rate fell a full point to 7.8 percent, as the civilian labor force increased by seven thousand people.

Personal income in New Mexico grew by 5.1 percent in 1987, the most recent year for which complete data are available. During 1988, based on three quarters of actual data, income was estimated to have increased 5.4 percent. On a per capita basis for 1987, New Mexico personal income was $11,875, which ranked 44th nationwide, down from 41st in 1986. Although somewhat low by national standards, New Mexico per capita income was still higher than some of our Rocky Mountain neighbors (see table on page 2).

Manufacturing continued to be a strong sector with employment growth of 4.2 percent in 1988, contributing to the recovery. During the last two years, New Mexico has gained 2,500 new manufacturing jobs, largely in the Albuquerque area and Roswell. Manufacturing, which in 1988 accounted for only 7.4 percent of all nonagricultural jobs, appears to have a bright future. In the mining sector, the oil and gas industry, stimulated by relatively high oil prices early in the year, also experienced a small recovery, adding 500 jobs.

The services and government sectors exhibited only modest growth during 1988. Services, a secondary sector, profited from the general rebound in the state's economy as well as what was apparently a good year for tourism. In the government sector, it was local government employment which showed the greatest growth, reflecting increased school enrollments and the need for additional teachers. Also contributing to the growth of local government employment was the hiring of many poll workers for the November elections.

New Mexico's construction industry continued its troubled ways, losing 1,900 jobs in 1988—the third consecutive annual loss. Housing units authorized declined 30.2 percent, or about three thousand units. In dollar value, for all categories of con-

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PER CAPITA INCOME[1]
SOUTHWEST AND ROCKY MOUNTAIN REGIONS

	1986	1987	Percent Change	National Rank 1987
SOUTHWEST	$13,231	$13,634	3.0	NA
Arizona	13,679	14,315	4.6	26
NEW MEXICO	11,459	11,875	3.6	44
Oklahoma	12,249	12,551	2.5	38
Texas	13,494	13,866	2.8	33
ROCKY MOUNTAIN	$13,070	$13,546	3.6	NA
Colorado	15,114	15,584	3.1	16
Idaho	11,172	11,868	6.2	45
Montana	11,726	12,347	5.3	40
Utah	10,968	11,366	3.6	48
Wyoming	12,723	12,709	-0.1	37
U.S. AVERAGE	$14,606	$15,481	6.0	NA

NA: Not applicable
[1] By place of residence
Source: U.S. Department of Commerce, Bureau of Economic Analysis

struction contracts including residential, non-residential and non-building, 1988 saw about 7.5 percent less construction than did 1987. Taking inflation into account, there was about twelve percent less actual construction last year than there was in 1987. Construction of educational and science buildings, hospital and health treatment structures, and residential buildings experienced the largest declines.

Among New Mexico's major metropolitan areas, employment growth was about the same as it was for the state as a whole. In Albuquerque, nonagricultural employment grew 1.7 percent in 1988, slightly below the state average, and about the same as in 1987. The Albuquerque unemployment rate fell to 5.9 percent, the lowest in ten years. Strong growth sectors were services and government, mostly local government. Manufacturing, which had shown employment growth of at least two percent annually since 1983, increased only 1.0 percent. Additionally, construction employment continued to decline, sliding an additional 7.5 percent last year. In the Las Cruces economy, 1988 was a moderately good year. Nonagricultural employment, after gaining 4.0 percent in 1987, increased by 2.5 percent in 1988. Strong growth sectors were construction and trade. The Las Cruces unemployment rate fell slightly to 7.4 percent. Santa Fe nonagricultural employment increased 2.4 percent in 1988, slightly higher than the rate in 1987, although somewhat less than in the earlier parts of the decade. Strong sectors were trade and services. The Santa Fe unemployment rate decreased to 5.1 percent, lowest among New Mexico's metro areas.

THE U.S. OUTLOOK

The United States economy is entering its seventh consecutive year of expansion, and that trend should continue through 1989. Toward the end of the year, however, growth should slow somewhat, and 1990 should see expansion continue at a much diminished pace, although a recession is unlikely. Contributing to the slowdown will be rising interest rates, a reduction in capital spending in the face of weaker final demand, and a slowing in export growth as the dollar firms up against other major currencies.

Currently, unemployment rates are very low and industrial capacity utilization rates are high. Such a combination is likely to result in wages and prices increasing even faster than they have been. In particular, the rate of inflation, as measured by the CPI-U, is expected to be about four and a half percent this year and next. However, in January of this year, prices rose six tenths of one percent, which would mean an annual inflation rate of 7.2 percent if that rate were sustained throughout the year. The Federal Reserve has expressed some concern about that, and has announced a target of 2.5 percent real GNP growth for this year, which it considers to be the highest sustainable non-inflationary growth rate. Thus, we can expect to see the Fed applying the brakes to what it considers to be an overheated economy, and contributing to the year-end slowdown. Toward this end, in February the Fed raised the discount rate a half percentage point to 7.0 percent. If the Fed reacts too strongly, though, a recession in 1990 is a possibility.

We should see some fiscal restraint from the federal government, particularly in defense spending. In fiscal year 1989, defense spending is projected to decline 1.6 percent in real terms, and even more in FY 1990. The federal budget deficit is likely to approach $160 billion in FY 1989, and a bit less in FY 1990. In either case, it appears unlikely that the Gramm-Rudman-Hollings deficit targets will be met.

NEW MEXICO OUTLOOK

Like the national economy, the New Mexico economy should have a good year in 1989 and tail off somewhat in 1990. Personal income should see about 6.7 percent growth this year, about one percentage point lower than the U.S. average. Real disposable income will increase by about two percent. The unemployment rate, 7.8 percent last year, should remain near that level this year.

Nonagricultural employment throughout the state should see healthy growth in 1989, about two and a half percent. Manufacturing will continue to be a strong growth sector. Recently announced plants or new plants currently operating include ShiZuki Corp., Xynatech, and Lukens Medical Corp. in Rio Rancho; Solo Cup Co. and Avonite Corp. in Belen; Caltech Corp. in Carlsbad; and Acme Mills in Santa Theresa, with a good chance of the B. P. John Furniture Co. finding a home on Las Cruces' west mesa.

The mining sector should also do well this year. Oil prices, which slipped below $13.50/barrel toward the end of last year, will likely be in the $15–16/barrel range throughout this year. That should be high enough to provide modest employment growth in the oil and gas sector. In metal mining, copper and molybdenum prices are both relatively high. This may not mean much for copper mining employment, since new copper extraction methods are highly capital-intensive, but the higher molybdenum prices may lead to the re-opening of the Molycorp molybdenum mine near Questa sometime this year,

creating 250 jobs. At issue is the construction of a tailings pond near the mine site, but on federal land. In nonmetal mining, Amax Potash Corp. has announced plans to extend its production and mill operations at its Carlsbad mine, creating 100 new jobs.

The construction industry should finally see a turnaround this year. Construction employment is projected to increase for the first time since 1985. Total housing units authorized, including both single and multi-family dwellings, should number around seven thousand in 1989, a 7.7 percent increase over last year, and the first annual increase since 1984. The construction of new apartment buildings, which fell drastically in 1988, particularly in Albuquerque, should enjoy substantial increases during 1990.

New Mexico's three largest employment sectors, trade, services and government, should each enjoy moderate growth this year. Finance/insurance/real estate should also sustain moderate employment growth, and only in the transportation/communications/utilities sector is an actual decline in employment expected, resulting from the PNM layoffs in late 1988.

For New Mexico's major metropolitan areas, employment gains are likely to follow state and national patterns—solid growth in 1989 and somewhat weaker growth in 1990. Both Albuquerque and Santa Fe nonagricultural employment should grow at rates close to the state average, while in Las Cruces, increases are likely to be a little bit larger.

For the longer term, there are some bright spots. Recent military base closures around the U.S. means that New Mexico will be receiving an influx of military and civilian personnel beginning this year and extending through 1993. The total number of new jobs involved, including some which are additions to military units already stationed in New Mexico, is in excess of twenty five hundred. Each of these jobs will indirectly create one more job in the support (services and trade) sectors. Also, the recent performance of the manufacturing sector gives hope that manufacturing will be increasing the magnitude of its role in the state's economy. One final, not-so-sunny spot: Given the projected decrease in real defense spending, given the concern at the national policy level with fiscal restraint and budget austerity, and given the uncertain funding of the SDI (star wars) program, it seems unlikely that the federal government can be looked toward as a major source of future growth for the New Mexico economy.

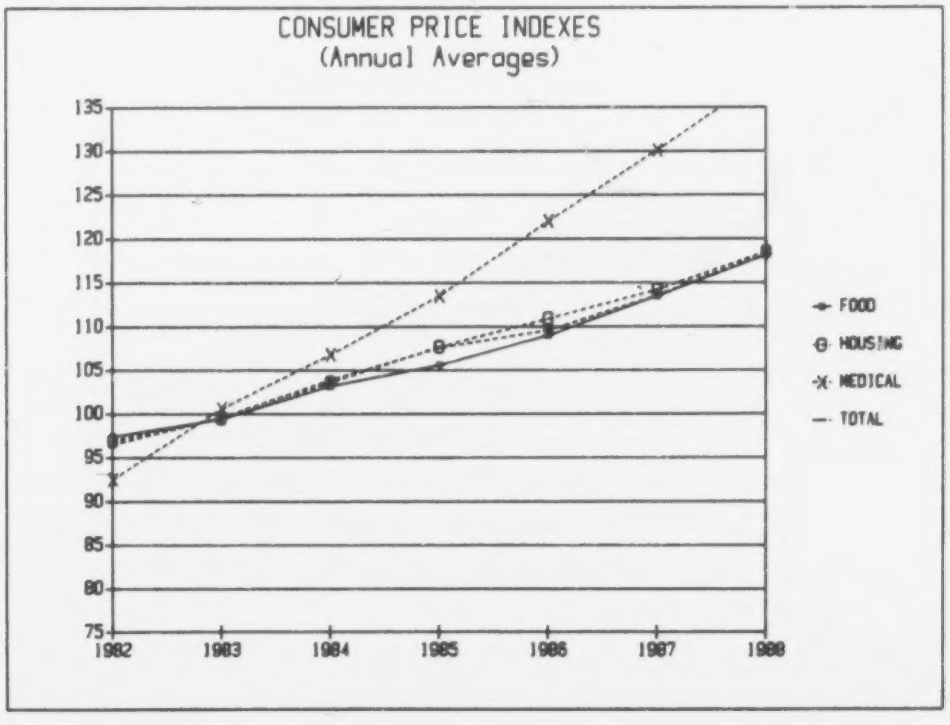
Lawrence A. Waldman
Economist

PRICE INDEXES

SELECTED U.S. PRICE AND COST INDEXES
1978 AND 1982-1988
ANNUAL AVERAGES

	1978	1982	1983	1984	1985	1986	1987	1988[P]	% Change 1987-1988
CONSUMER PRICE INDEX[1]									
ALL ITEMS (1982-1984=100)[2]	65.2	96.5	99.6	103.9	107.6	109.6	113.6	118.3	4.1
Food	72.0	97.4	99.4	103.2	105.6	109.0	113.5	118.2	4.1
Housing	62.4	96.9	99.5	103.6	107.7	110.9	114.2	118.5	3.8
Medical Care	61.8	92.5	100.6	106.8	113.5	122.0	130.1	138.6	6.5
PRODUCER PRICE INDEX									
ALL COMMODITIES[2]									
(1982=100)	69.9	100.0	101.3	103.7	103.2	100.2	102.8	106.9	4.0
Finished Goods	69.8	100.0	101.6	103.7	104.7	103.2	105.4	108.0	2.5
Finished Consumer Foods	79.9	100.0	101.0	105.4	104.6	107.3	109.5	112.6	2.8
Finished Energy Goods	42.3	100.0	95.2	91.2	87.6	63.0	61.8	59.8	-3.2
Intermediate Materials, Supplies & Components	69.5	100.0	100.6	103.1	102.7	99.1	101.5	107.1	5.5
Crude Materials for Further Processing	73.4	100.0	101.3	103.5	95.8	87.7	93.7	95.9	2.3
CONSTRUCTION COST INDEX[3]									
(1982=100)	71.5	100.0	102.6	106.4	109.6	111.8	114.3	116.0	1.5

P Preliminary.
1 All urban consumers.
2 Previous base year was 1967=100.
3 U.S. Department of Commerce composite.
Source: U.S. Department of Commerce, Business Statistics, and Survey of Current Business, various issues and U.S. Department of Labor, Bureau of Labor Statistics.

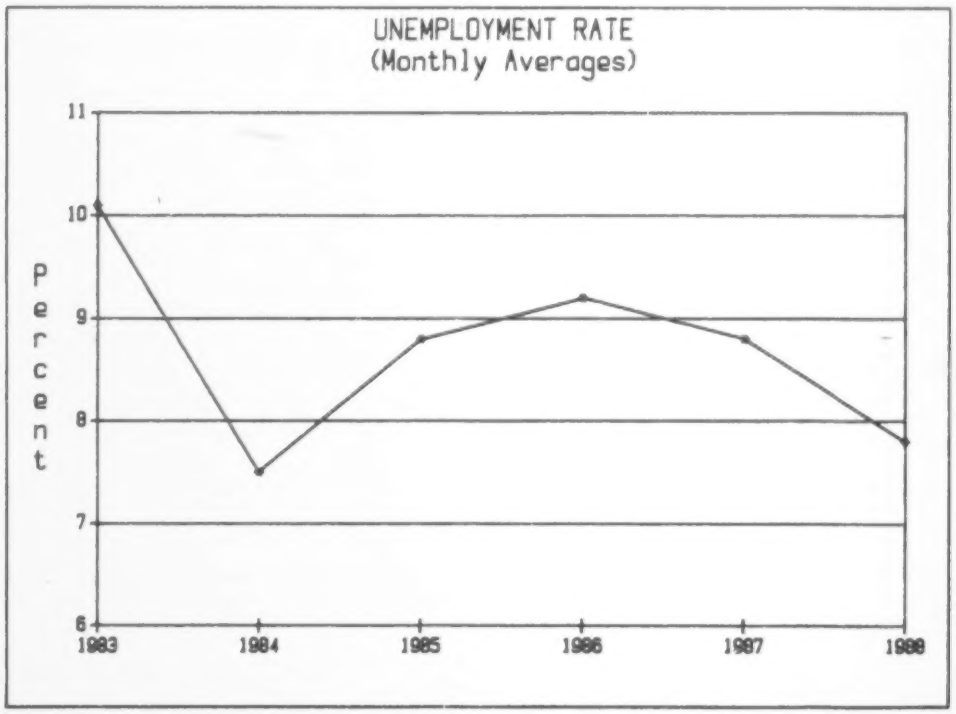


CIVILIAN EMPLOYMENT

TOTAL CIVILIAN LABOR FORCE AND JOBS IN NEW MEXICO*
(Monthly Averages)

	1978	1983	1984	1985	1986	1987	1988 p	% Change 1987-1988
TOTAL CIVILIAN LABOR FORCE	542,000	609,000	628,000	644,000	678,000	682,000	689,000	1.0
Total Employment	511,000	547,000	581,000	587,000	616,000	622,000	635,000	2.1
Total Unemployment	31,000	62,000	47,000	57,000	62,000	60,000	54,000	-10.0
Rate (Unadjusted)	5.7	10.1	7.5	8.8	9.2	8.8	7.8	NA
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT[1]	444,300	479,500	502,800	520,200	525,900	529,300	540,400	2.1
Manufacturing	33,400	34,400	36,500	37,300	37,400	38,300	39,900	4.2
Mining	24,400	21,000	21,600	21,000	16,200	14,900	15,400	3.4
Contract Construction	35,000	33,700	36,600	37,500	35,100	32,100	30,200	-5.9
Transportation & Public Utilities	26,600	29,500	30,000	30,000	29,400	28,800	28,900	0.3
Wholesale & Retail Trade	101,200	110,700	117,500	122,600	126,300	127,700	130,400	2.1
Finance, Insurance & Real Estate	19,800	23,200	24,700	25,800	26,600	26,900	27,000	0.4
Services	87,300	99,700	106,300	113,200	118,900	123,000	127,900	4.0
Government	116,600	127,200	129,700	132,800	135,900	137,600	140,800	2.3

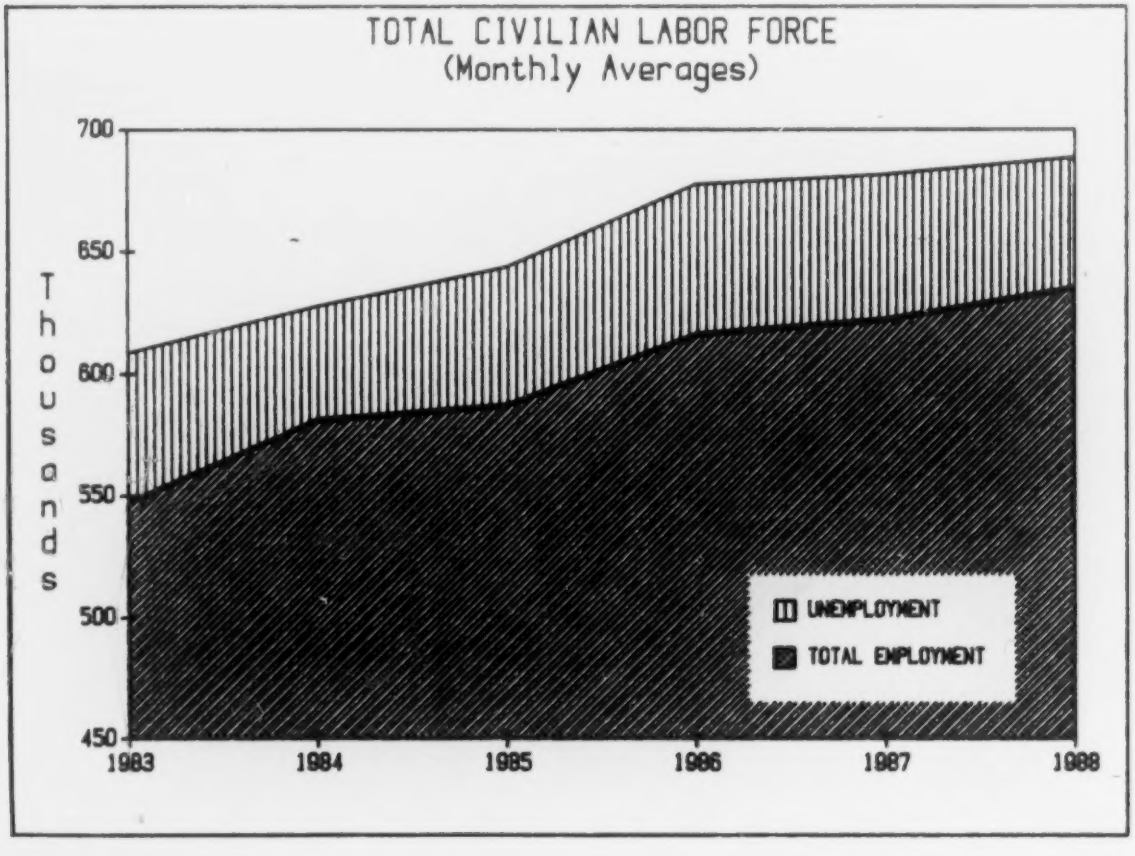
* Detail may not add to total because of rounding.
NA Not applicable.
p Preliminary.
1 Nonagricultural wage and salary employment is not strictly comparable to total civilian employment since double job holders and in-commuting workers are excluded from total civilian employment, but included in nonagricultural wage and salary employment.
Source: New Mexico Department of Labor.



AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Current Dollars)

	1978	1983	1984	1985	1986	1987	1988 p	% Change 1978-1988	% Change 1987-1988
Mining	$7.46	$11.21	$11.50	$11.90	$12.58	$11.58	$12.12	62.5	4.7
Construction	8.18	10.52	10.46	10.63	10.89	10.60	11.16	36.4	5.3
Manufacturing	4.79	7.60	7.98	8.41	8.75	8.74	8.78	83.3	0.5
Durable Goods	5.16	7.77	8.18	8.57	8.83	8.91	9.07	75.8	1.8
Nondurable Goods	4.20	7.21	7.53	8.07	8.57	8.29	8.02	91.0	-3.3
Communications & Utilities	6.87	9.94	10.50	11.08	12.03	13.42	13.85	101.6	3.2
Trade [1]	4.97	7.04	6.57	6.65	6.77	6.76	6.71	35.0	-0.7
Banking	3.48	5.21	5.38	5.54	5.77	5.92	6.11	75.6	3.2

p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Department of Labor.

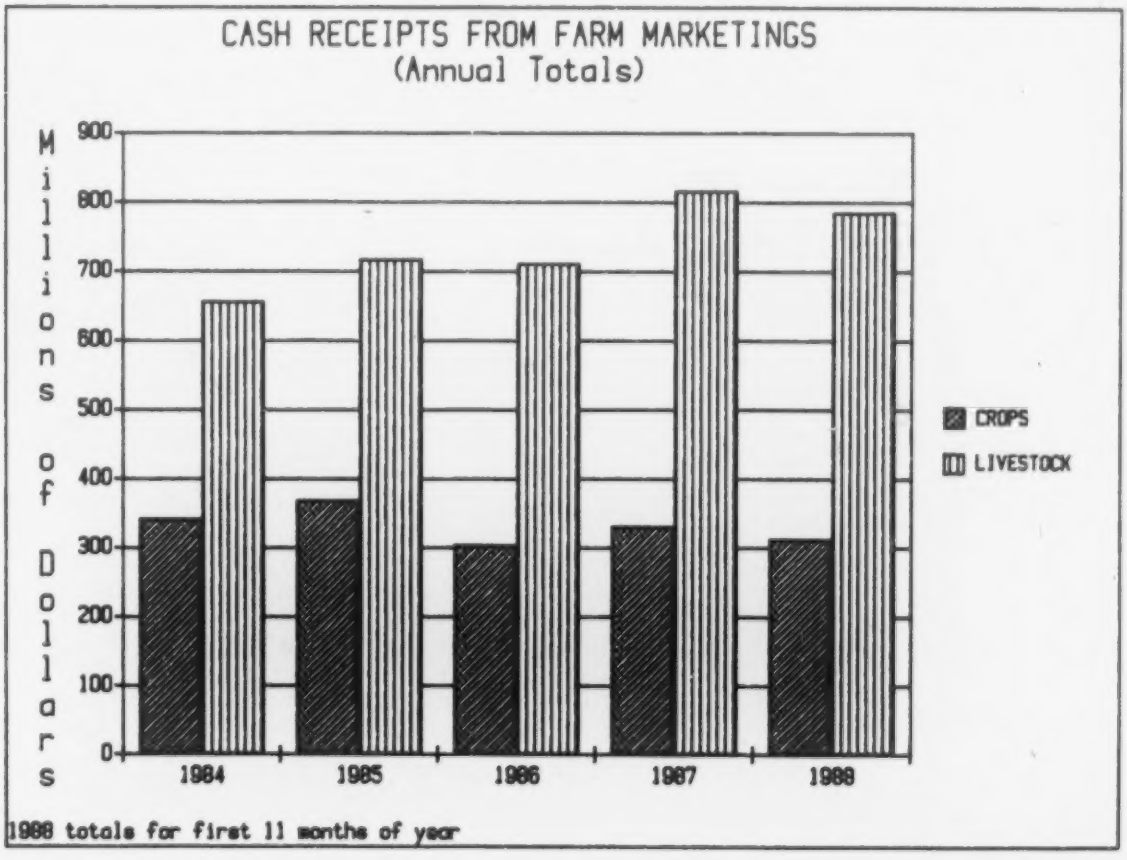


AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Constant 1988 Dollars)

	1978	1983	1984	1985	1986	1987	1988 P	% Change 1978-1988	% Change 1987-1988
Mining	$13.54	$13.31	$13.09	$13.08	$13.58	$12.06	$12.12	-10.5	0.5
Construction	14.84	12.50	11.91	11.69	11.75	11.04	11.16	-24.8	1.1
Manufacturing	8.69	9.03	9.09	9.25	9.44	9.10	8.78	1.0	-3.5
Durable Goods	9.36	9.23	9.31	9.42	9.53	9.28	9.07	-3.1	-2.3
Nondurable Goods	7.62	8.56	8.57	8.87	9.25	8.63	8.02	5.2	-7.1
Communications & Utilities	12.46	11.81	11.96	12.18	12.98	13.98	13.85	11.2	-0.9
Trade [1]	9.02	8.36	7.48	7.31	7.31	7.04	6.71	-25.6	-4.7
Banking	6.31	6.19	6.13	6.09	6.23	6.16	6.11	-3.2	-0.8

p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Department of Labor and the U.S. Department of Labor, Bureau of Labor Statistics.

AGRICULTURE

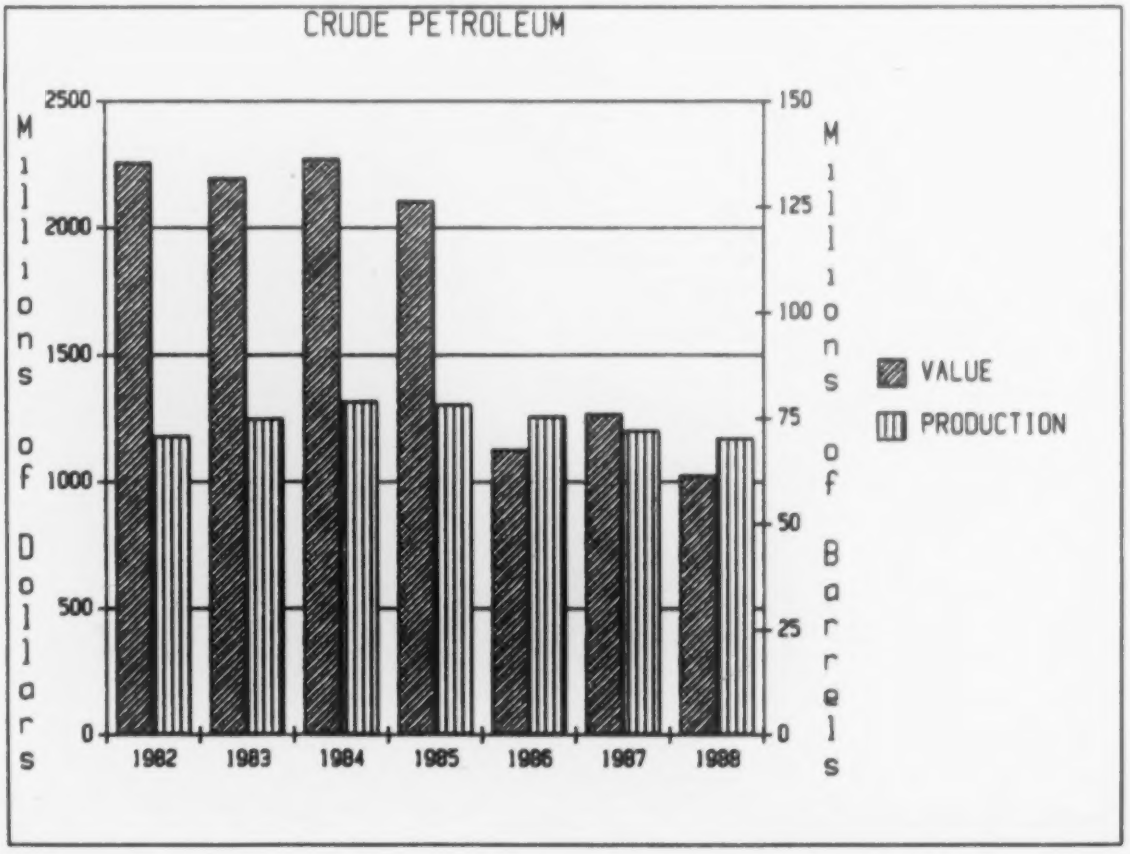


LIVESTOCK PRICES AND CASH MARKETINGS OF FARM PRODUCTS IN NEW MEXICO

	1978	1984	1985	1986	1987	1988[2]	% Change 1987-1988
PRICES TO FARMERS (Annual Averages)							
All Beef Cattle (per cwt.)[1]	$ 52.90	$ 46.00	$ 49.40	$ 48.50	$ 57.20	$ 62.30	8.9
Calves (per cwt.)[1]	60.80	63.10	68.10	65.40	84.50	92.30	9.2
Sheep (per cwt.)[1]	20.60	21.10	28.00	31.50	33.90	32.60	-3.8
Lambs (per cwt.)[1]	67.90	56.80	68.80	70.80	83.30	71.00	-14.8
Wool (per lb.)	0.73	0.87	0.72	0.75	1.20	na	na
CASH MARKETINGS (Annual Totals) ($000s)							
All Farm Products	$968,809	$998,256	$1,087,005	$1,015,628	$1,147,261	$1,098,653[3]	4.2[4]
Livestock	748,183	656,588	717,902	711,797	816,741	785,829[3]	4.4[4]
Crops	220,626	341,668	369,103	303,831	330,520	312,824[3]	3.7[4]

na Not available.
1 cwt = hundred weight.
2 Subject to revision.
3 Total for the first 11 months of the year.
4 Percent change based on 11 months of 1988 compared to 11 months of 1987.
Source: U.S. Department of Agriculture, Economic Research Service and U.S. Department of Agriculture, New Mexico Agricultural Statistics Service.

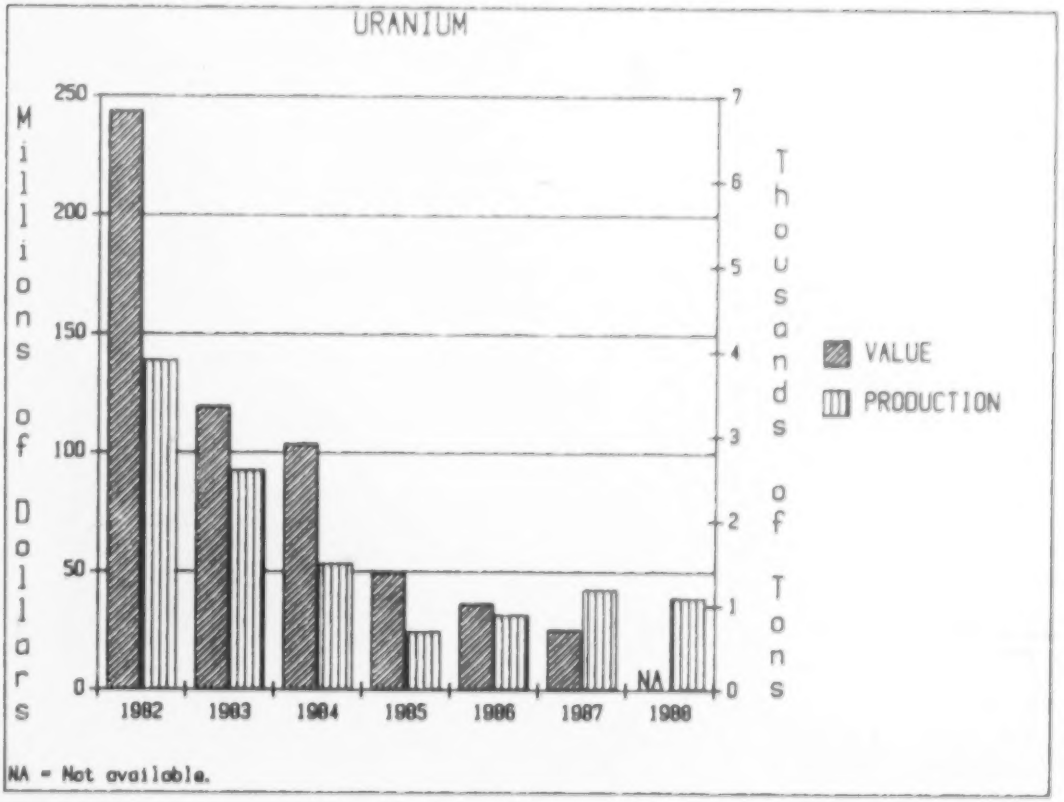
MINING



SELECTED MINERAL PRODUCTION IN NEW MEXCIO

	1978	1982	1983	1984	1985	1986	1987	1988[p]	% Change 1987-1988
Petroleum (crude) (000 42-gal. bbls.)	83,365	71,024	75,169	79,336	78,530	75,712	72,328	70,520[2]	-2.5
Natural Gas[1] (billion cubic ft.)	1,174	991	895	957	905	703	824	782[2]	-5.1
Copper (000 short tons)	141	93	172	208	294	302	334	na	na
Potash (000 short tons, K_2O equivalent)	2,142	1,650	1,409	1,563	1,235	1,088	1,458	1,499	2.8
Uranium (Tons, recoverable content U_3O_8)	8,539	3,906	2,550	1,458	692	926	1,166	1,130	-3.1
Coal (000 short tons)	11,456	19,944	20,415	21,279	22,203	21,496	19,131	21,087	10.2
Sand and Gravel (000 short tons)	8,239	5,616	7,000	8,363	8,400	8,471	8,600	7,700	-10.5
Perlite (000 short tons)	576	408	394	416	430	433	437	w	na
Stone (000 short tons)	2,456	2,818	4,748	4,719	3,661	3,922	4,525	3,222	-28.8
Gold (000 troy ounces)	10	54	w	w	45	40	w	w	na
Silver (000 troy ounces)	w	805	w	w	w	w	w	w	na

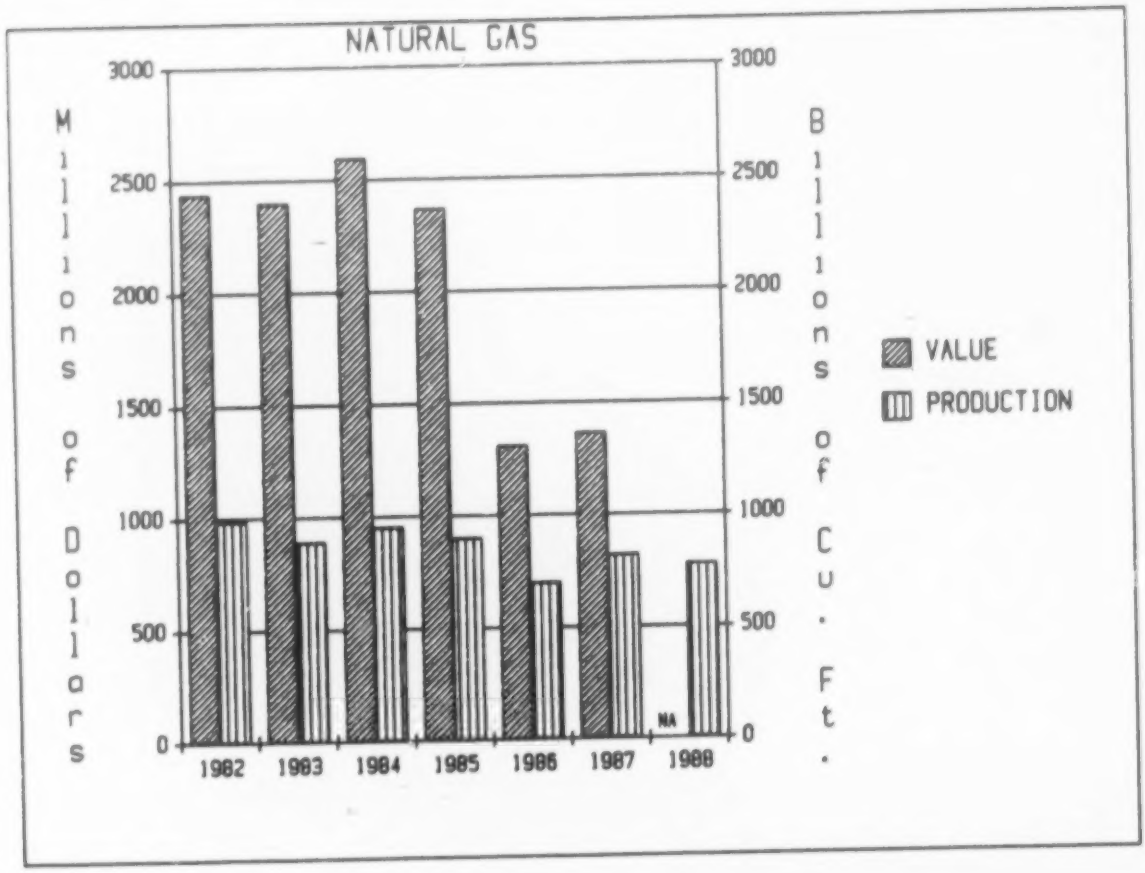
na Not available.
p Preliminary.
w Witheld to avoid disclosing confidential data of individual companies.
1 Marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
2 Estimate based on available data.
Source: U.S. Department of the Interior, Bureau of Mines, annual report; the U.S. Department of Energy, Energy Information Administration, selected publications; and the New Mexico Energy, Minerals and Natural Resources Department.
Note: The time series for copper, coal and uranium were revised extensively.



VALUE OF MINERAL PRODUCTION IN NEW MEXICO
($000s)

	1978	1982	1983	1984	1985	1986	1987	1988[p]	% Change 1987-1988
TOTAL[1]	$3,036,846	$5,882,838	$5,607,289	$6,011,708	$5,704,654	$3,571,697	$3,818,633	na	na
Crude Petroleum	834,484	2,261,404	2,199,445	2,276,150	2,107,745	1,130,380	1,270,803	1,027,968	-19.1
Natural Gas[2]	1,160,108	2,443,891	2,402,769	2,599,121	2,369,980	1,314,084	1,367,620	na	na
Copper	187,405	97,384	w	w	254,517	390,438	384,000	w	na
Potash	183,554	204,600	174,700	204,100	156,000	132,900	174,200	233,300	33.9
Uranium	431,732	244,125	120,411	104,480	49,893	36,558	25,862	na	na
Coal	127,331	382,649	367,470	412,813	519,772	478,500	416,673	na	na
Sand & Gravel	17,850	17,670	20,000	22,389	22,800	25,862	31,000	24,000	-22.6
Perlite	12,510	13,355	13,297	14,115	14,896	13,727	13,611	w	na
Stone	6,271	13,838	15,262	17,149	15,509	15,678	16,545	12,426	-24.9
Gold	1,912	21,572	w	w	14,309	14,677	w	w	na
Silver	4,786	6,397	w	w	w	w	w	w	na
Other	68,903	175,953	293,935	361,391	179,233	18,893	118,319	737,455	na

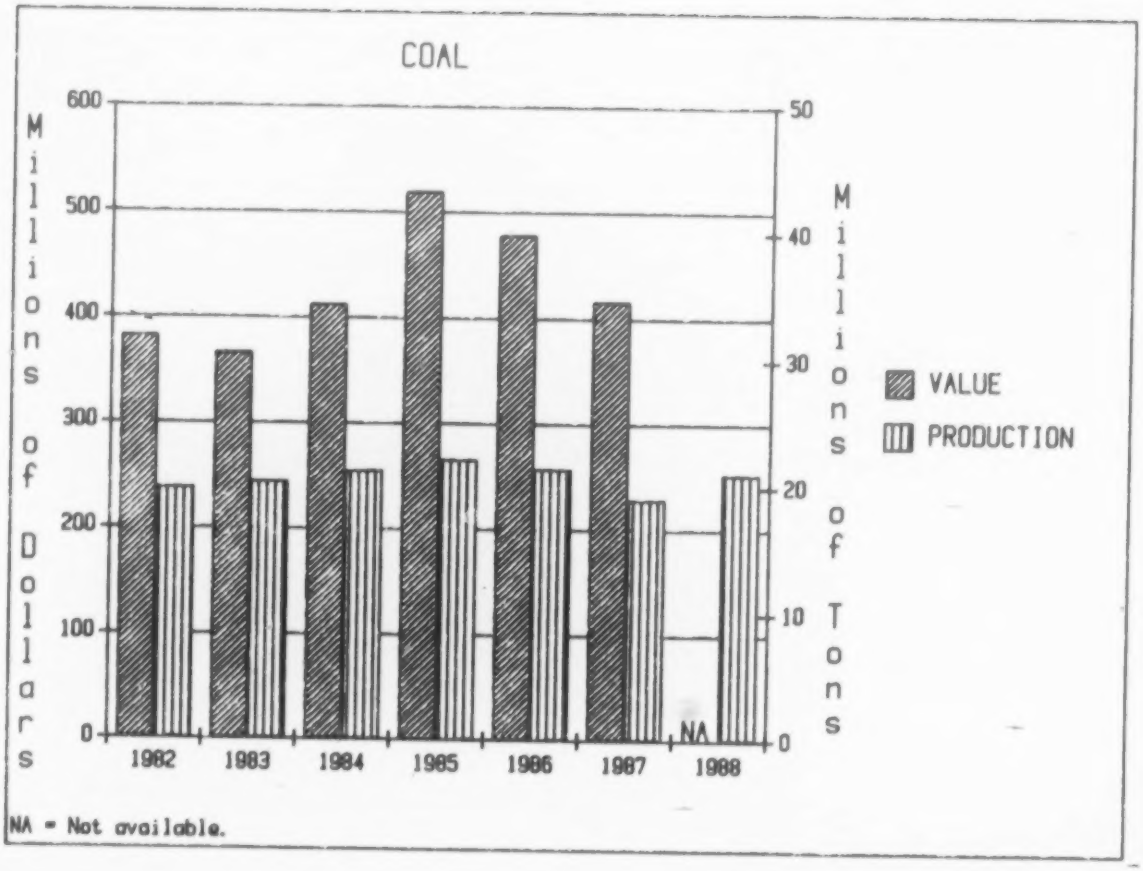
NA Not applicable.
na Not available.
p Preliminary.
w Withheld to avoid disclosing individual company confidential data; included in "Other."
1 Incomplete total, does not include the value of natural gas liquids.
2 Value of marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
Source: U.S. Department of Interior, Bureau of Mines, annual reports; U.S. Department of Energy, Energy Information Administration; and New Mexico Energy, Minerals and Natural Resources Department.
Note: The time series for uranium was revised extensively.

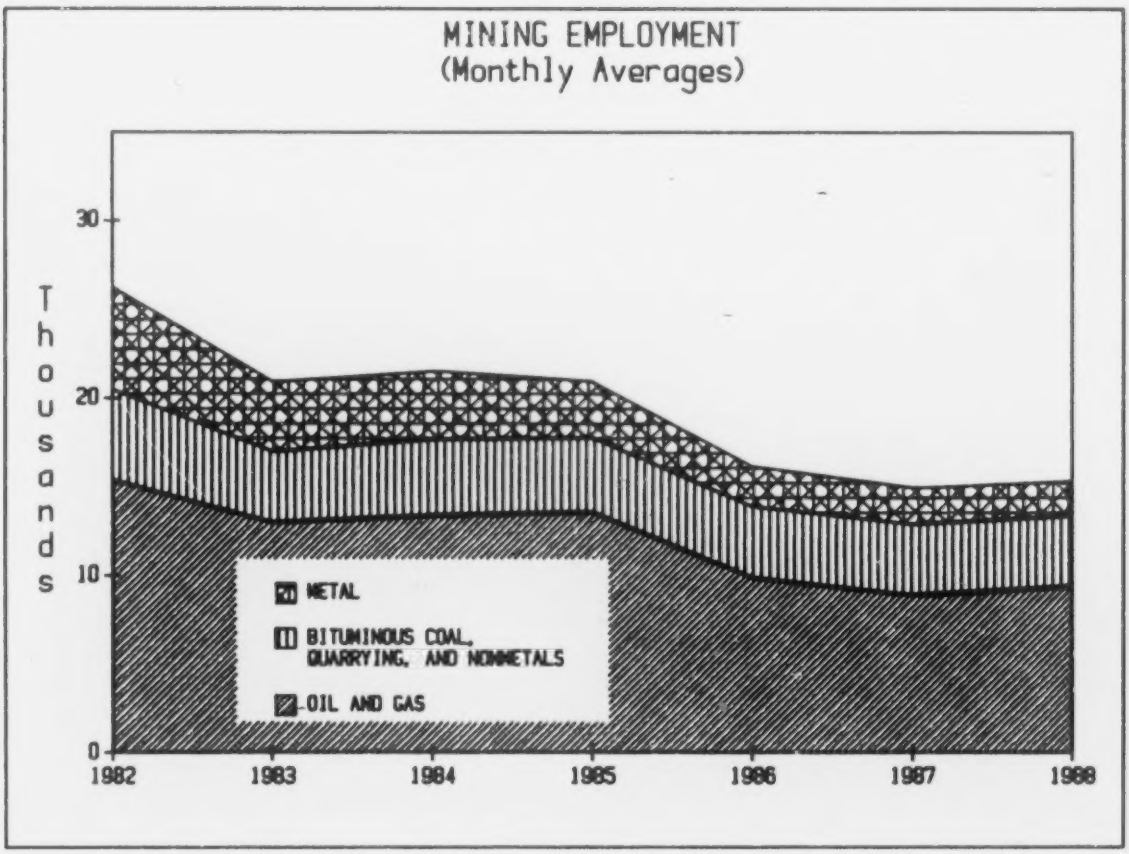


MINING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988 P	% Change 1987-1988
TOTAL	24,400	26,300	21,000	21,600	21,000	16,200	14,900	15,400	3.4
Metal	10,000	5,800	4,000	3,900	3,200	2,300	2,100	2,000	-4.8
Nonmetal	4,600	5,100	4,000	4,300	4,200	4,000	4,000	4,000	0.0
Oil & Gas	9,900	15,400	13,000	13,400	13,600	9,900	8,900	9,400	5.6
Average Weekly Hours	43.7	42.2	42.4	41.9	42.3	40.0	42.9	43.5	1.4
Average Weekly Earnings	$326.00	$470.53	$475.30	$481.85	$503.37	$503.20	$496.78	$527.22	6.1

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



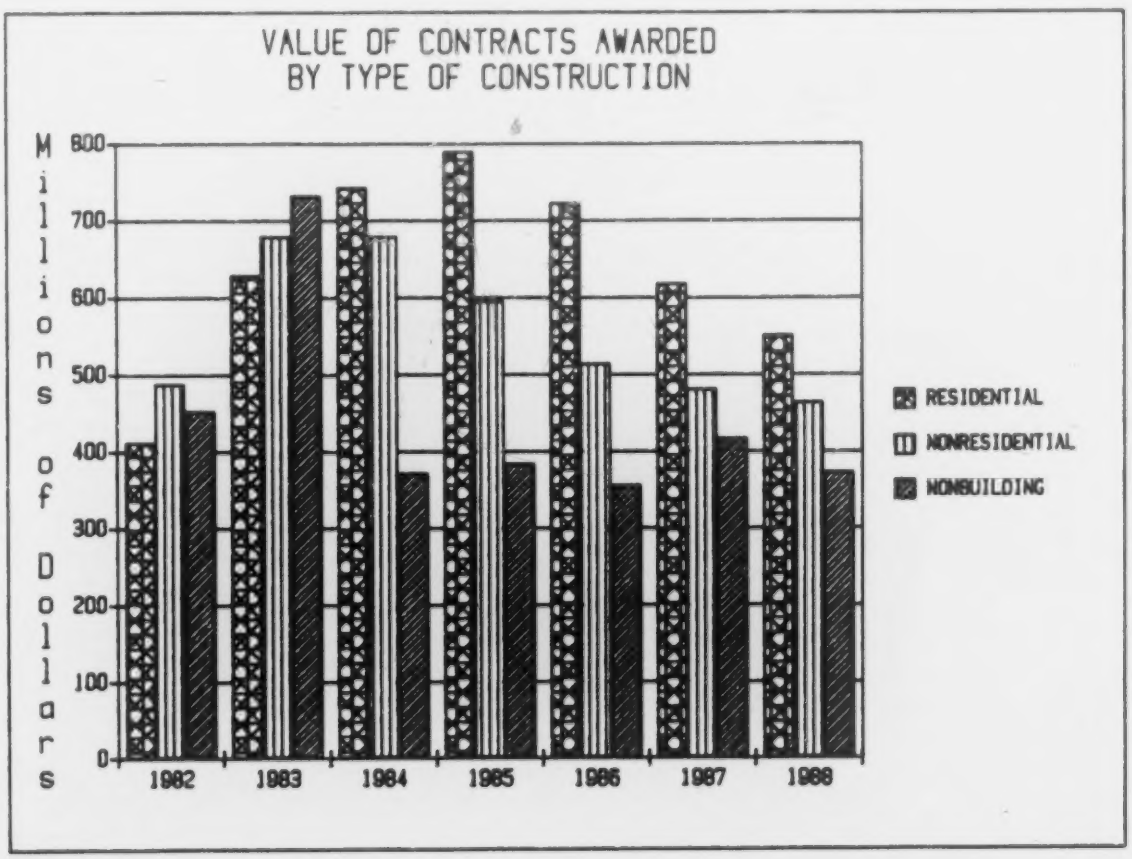

MINING EMPLOYMENT
(Monthly Averages)
Thousands
30
20
10
0
1982
1983
1984
1985
1986
1987
1988
METAL
BITUMINOUS COAL, QUARRYING, AND NONMETALS
OIL AND GAS

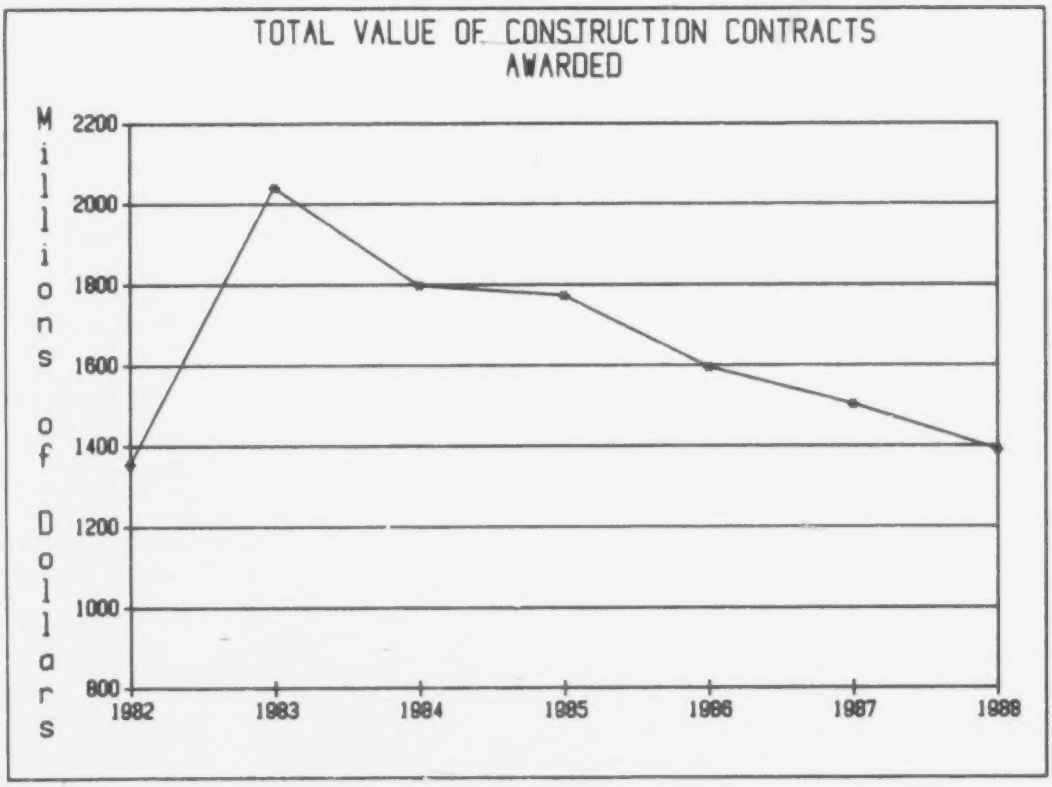
CONSTRUCTION

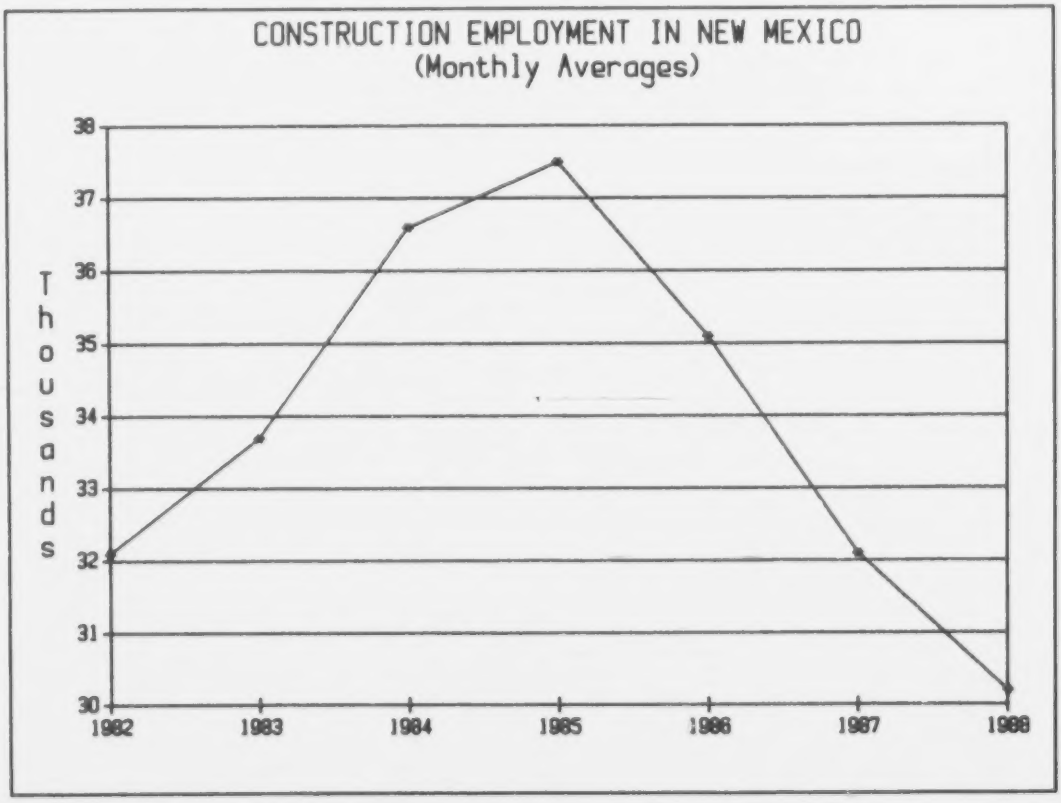
CONSTRUCTION IN NEW MEXICO

	1978	1982	1983	1984	1985	1986	1987	1988[p]	% Change 1987-1988
EMPLOYMENT [1]	35,000	32,100	33,700	36,600	37,500	35,100	32,100	30,200	-5.9
VALUE OF CONTRACTS AWARDED									
Total ($000s)	$986,534	$1,354,225	$2,040,090	$1,795,106	$1,770,642	$1,594,236	$1,501,698	$1,388,803	-7.5
Residential	479,447	412,456	628,529	743,463	790,136	722,590	612,292	550,955	-10.0
Nonresidential	218,509	488,854	680,023	680,339	596,469	515,246	480,225	465,129	-3.1
Nonbuilding	288,578	452,915	731,538	371,804	384,037	356,400	409,181	372,719	-8.9
BUILDING PERMITS									
Total Value ($000s) [2]	$ na	$ 770,938	$ 952,745	$1,210,109	$1,097,929	$1,031,479	$ 828,578	$ 695,127	-16.1
New Residential									
Value ($000s)	$519,279	$ 346,374	$ 493,158	$ 683,631	$ 567,041	$ 603,833	$ 548,599	$ 422,709	-22.9
Number of Units Permitted									
Single Family	11,258	5,540	8,081	7,955	7,150	8,122	7,338	5,390	-26.5
Multifamily	4,095	3,060	2,733	8,570	4,640	3,391	1,930	1,075	-44.3
New Nonresidential									
Value ($000s)	$ na	$ 302,402	$ 320,479	$ 384,896	$ 379,376	$ 242,383	$ 189,841	$ 173,964	-8.4
Number of Permits	na	2,393	2,480	2,591	2,473	2,973	2,319	1,666	-28.2

na Not available.
p Preliminary.
1 Monthly averages.
2 Total value includes now residential value, new nonresidential value, and the value of all additions and alterations (not shown separately).
Source: New Mexico Department of Labor; F.W. Dodge Division, McGraw-Hill Information Systems Co.; and U.S. Department of Commerce, Bureau of the Census.




TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED
Millions of Dollars
2200
2000
1800
1600
1400
1200
1000
800
1982
1983
1984
1985
1986
1987
1988

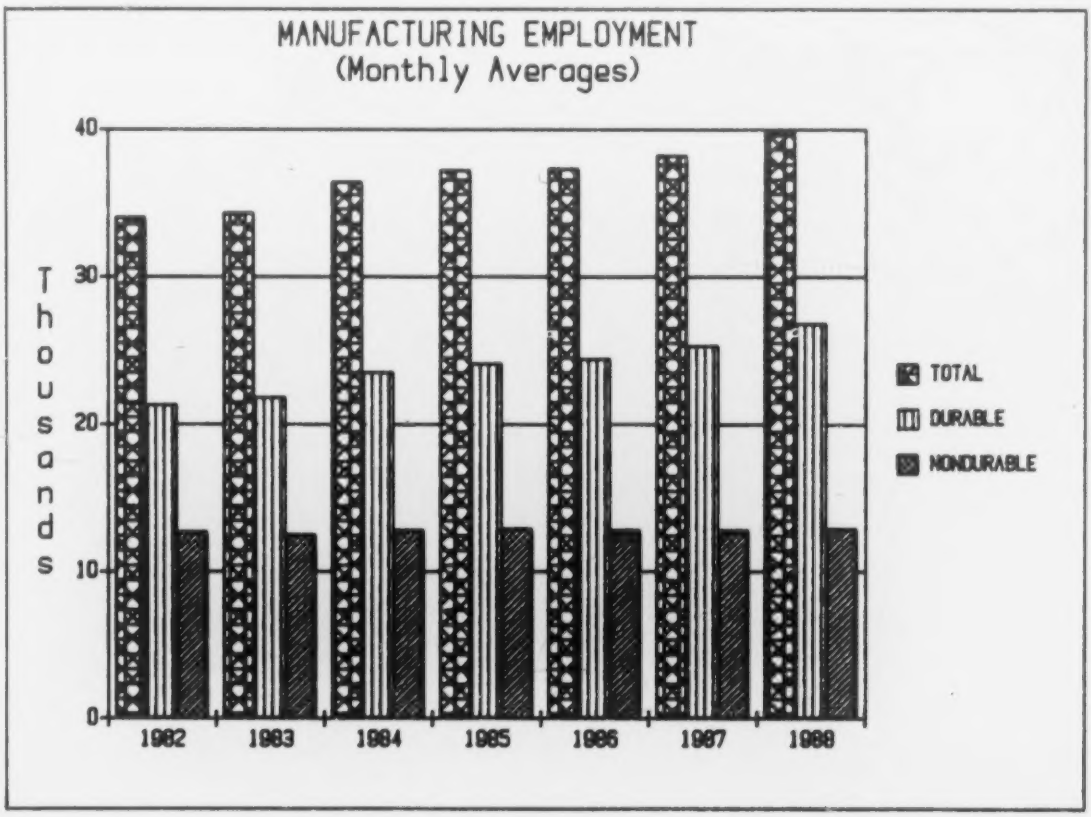

CONSTRUCTION EMPLOYMENT IN NEW MEXICO
(Monthly Averages)
Thousands
38
37
36
35
34
33
32
31
30
1982
1983
1984
1985
1986
1987
1988

MANUFACTURING

MANUFACTURING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988p	% Change 1987-1988
TOTAL	33,400	34,100	34,400	36,500	37,300	37,400	38,300	39,900	4.2
Average Weekly Hours	39.2	39.2	39.7	39.9	39.8	39.5	39.7	40.5	2.0
Average Weekly Earnings	$187.77	$283.02	$301.72	$318.40	$334.72	$345.63	$346.98	$355.59	2.5
Durable Goods	19,400	21,400	21,900	23,600	24,200	24,500	25,400	26,900	5.9
Lumber & Wood Products	3,200	2,100	2,300	2,600	2,600	2,700	2,600	2,500	-3.8
Electrical Equipment	3,700	4,400	4,900	6,400	5,900 1	4,800 1	4,900	5,400	10.2
Transportation Equipment	2,700	4,100	3,900	3,500	4,000	4,100	4,600	5,200	13.0
Other	9,900	10,900	10,700	11,200	11,700	13,000	13,400	13,800	3.0
Average Weekly Hours	39.9	39.6	40.6	40.2	40.2	40.0	40.6	41.3	1.7
Average Weekly Earnings	$205.88	$308.48	$315.46	$328.84	$344.51	$353.20	$361.75	$374.59	3.5
Nondurable Goods	14,000	12,800	12,600	12,900	13,000	12,900	12,900	13,000	0.8
Food & Kindred Products	4,600	3,900	4,000	4,100	4,200	4,200	4,100	3,900	-4.9
Textile & Apparel	3,900	3,000	2,600	2,500	2,400	2,400	2,600	2,700	3.8
Other	5,500	5,900	6,000	6,300	6,500	6,300	6,200	6,400	3.2
Average Weekly Hours	38.1	38.2	37.7	39.3	39.0	38.4	37.7	38.4	1.9
Average Weekly Earnings	$160.02	$229.58	$271.82	$295.93	$314.73	$329.09	$312.53	$307.97	-1.5

* Detail may not add up to total because of rounding.
p Preliminary.
1 Declines in the electrical equipment sector are partly due to classification changes that moved a substantial number of workers into another manufacturing group.
Source: New Mexico Department of Labor.

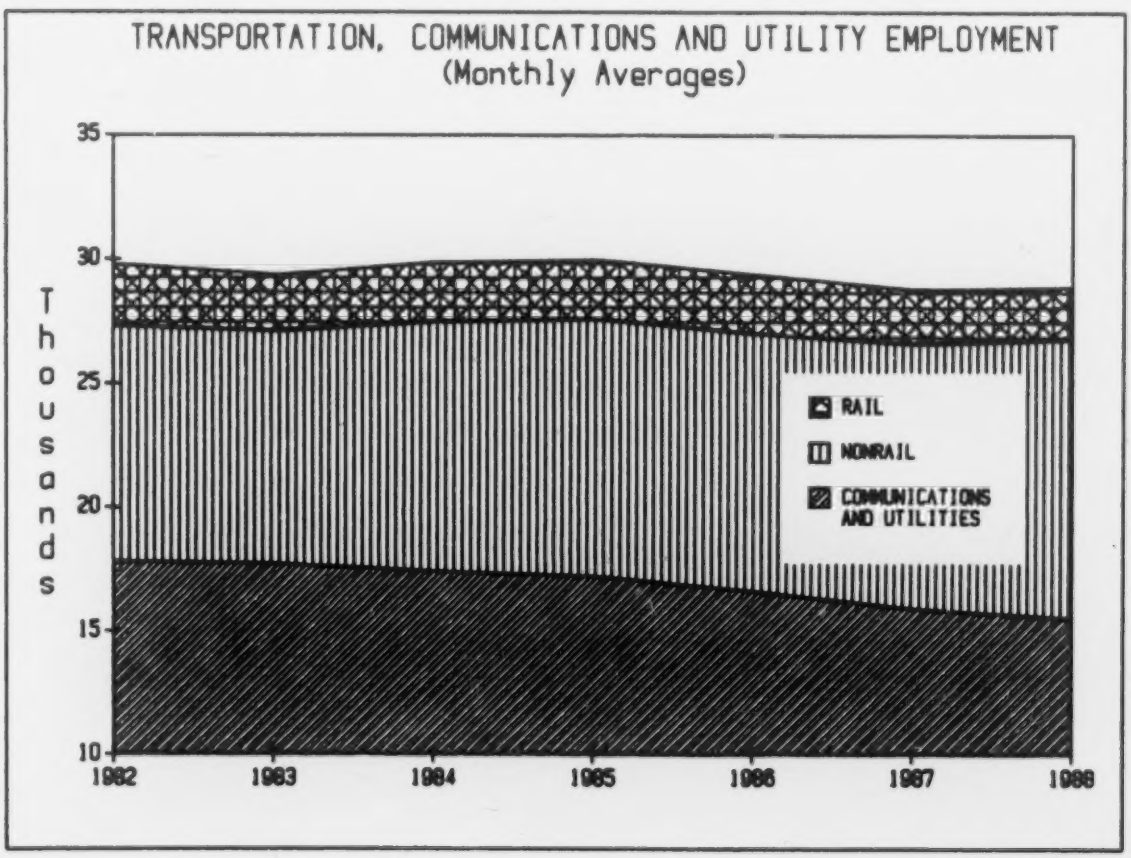


TRANSPORTATION, COMMUNICATIONS AND UTILITIES

EMPLOYMENT IN TRANSPORTATION, COMMUNICATIONS AND UTILITIES IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988p	% Change 1987-1988
TOTAL	26,600	29,900	29,500	30,000	30,000	29,400	28,800	28,900	0.3
Rail	3,000	2,500	2,300	2,400	2,400	2,400	2,200	2,100	-4.5
Nonrail	9,100	9,500	9,400	10,100	10,400	10,400	10,700	11,300	5.6
Trucking & Warehousing	5,700	5,700	5,500	6,000	6,200	6,000	6,100	6,600	8.2
Other Transportation	3,400	3,800	3,900	4,100	4,200	4,400	4,600	4,700	2.2
Utilities & Communications	14,500	17,800	17,700	17,400	17,200	16,600	15,900	15,500	-2.5
Communication	6,500	8,000	8,000	7,700	7,400	6,900	6,700	6,600	-1.5
Electric, Gas & Sanitary Utilities	8,000	9,800	9,700	9,700	9,800	9,700	9,200	8,900	-3.3

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.

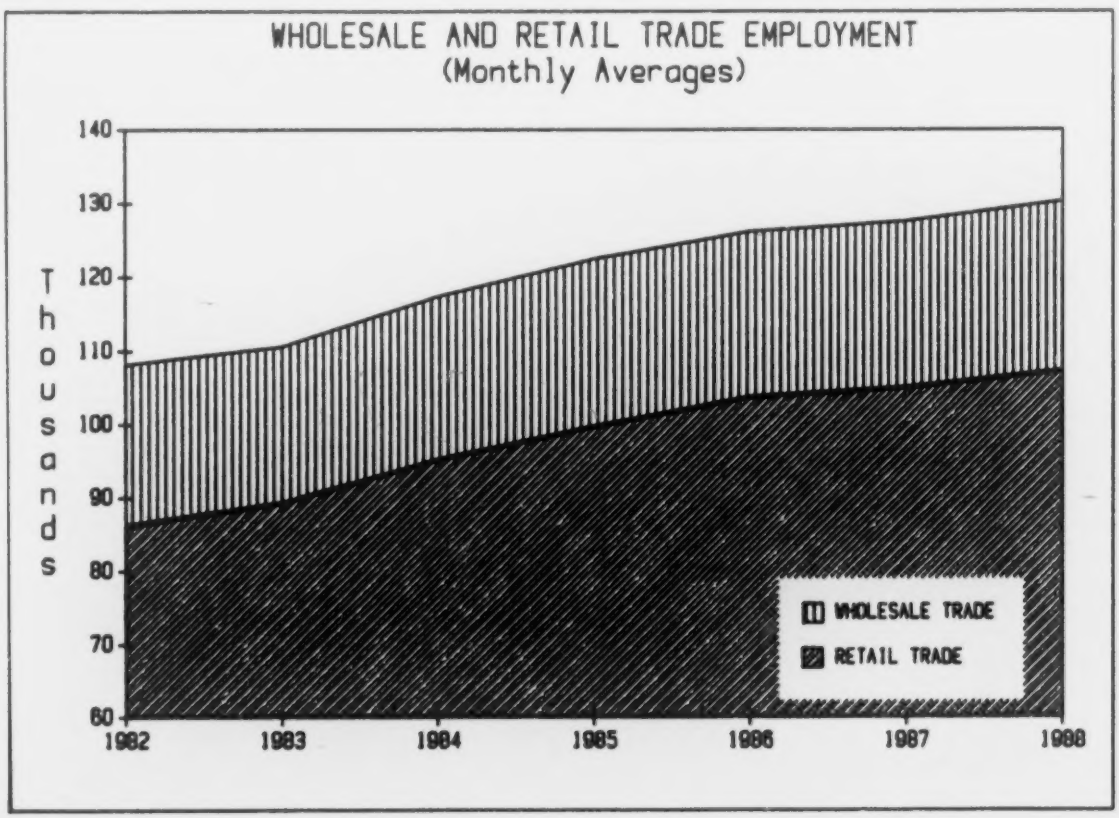


WHOLESALE AND RETAIL TRADE

WHOLESALE AND RETAIL TRADE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988p	% Change 1987-1988
TOTAL	101,200	108,300	110,700	117,500	122,600	126,300	127,700	130,400	2.1
Average Weekly Hours[1]	35.8	35.7	35.4	32.2	33.0	32.2	32.7	31.7	-3.1
Average Weekly Earnings[1]	$177.93	$243.47	$249.22	$211.55	$219.45	$217.99	$221.05	$212.71	-3.8
Wholesale	20,100	22,200	21,500	22,400	23,000	22,700	22,800	23,200	1.8
Durable Goods	12,200	13,300	12,600	13,200	13,600	13,400	13,200	13,400	1.5
Nondurable Goods	7,900	8,900	9,000	9,200	9,400	9,300	9,600	9,800	2.1
Average Weekly Hours	na	na	na	41.1	41.7	40.4	39.8	37.1	-6.8
Average Weekly Earnings	$ na	$ na	$ na	$372.78	$377.80	$375.32	$384.87	$352.45	-8.4
Retail	81,100	86,100	89,200	95,100	99,600	103,600	104,900	107,200	2.2
Bldg. Material and Mobile Home	na	na	na	4,400	4,600	4,400	4,300	4,200	-2.3
General Merchandise Stores	10,800	10,800	10,300	10,300	10,900	11,900	12,100	12,300	1.7
Food Stores	10,800	12,400	12,800	14,000	14,500	15,400	14,900	14,800	-0.7
Auto Dealers and Service Stations	13,000	11,800	12,100	12,700	13,000	13,000	13,200	13,700	3.8
Apparel and Accessories	na	na	na	5,200	5,600	5,500	5,600	5,500	-1.8
Furniture and Furnishing	na	na	na	4,100	4,400	4,400	4,300	4,400	2.3
Eating and Drinking Places	25,500	29,500	31,500	33,700	35,400	37,500	38,900	40,400	3.9
Miscellaneous Retail	21,000	21,400	22,600	10,700	11,100	11,600	11,600	11,900	2.6
Average Weekly Hours	na	na	na	30.3	31.3	30.7	31.3	30.6	-2.2
Average Weekly Earnings	$ na	$ na	$ na	$177.56	$187.17	$187.88	$189.05	$185.13	-2.1

* Detail may not add up to total because of rounding.
p Preliminary.
1 Sectors combined, excludes eating and drinking establishments through 1983.
Source: New Mexico Department of Labor.

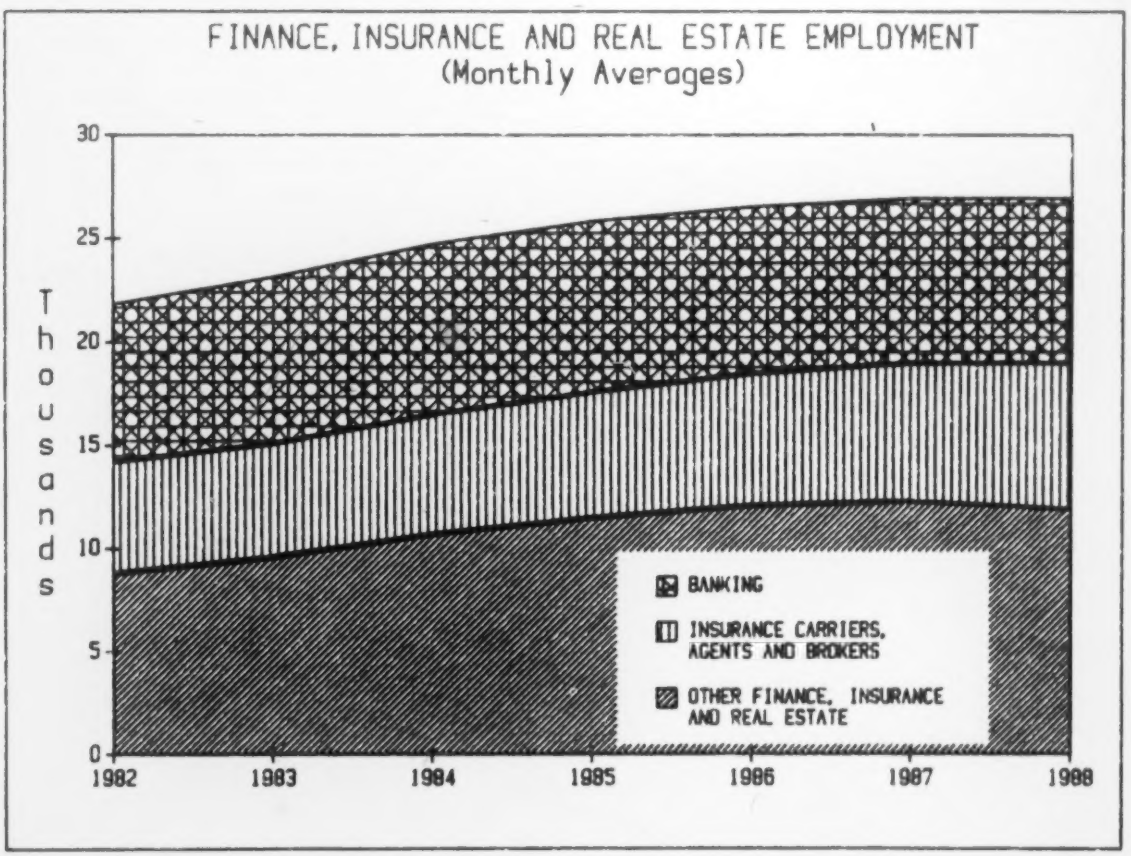


FINANCE, INSURANCE AND REAL ESTATE

FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988[p]	% Change 1987-1988
TOTAL	19,800	21,900	23,200	24,700	25,800	26,600	26,900	27,000	0.4
Banking	6,400	7,700	8,100	8,300	8,300	8,100	8,000	8,000	0.0
Insurance Carriers, Agents & Brokers	5,100	5,400	5,500	5,800	6,100	6,400	6,700	7,100	6.0
Other Finance, Insurance & Real Estate	8,300	8,800	9,600	10,700	11,500	12,100	12,300	11,900	-3.3

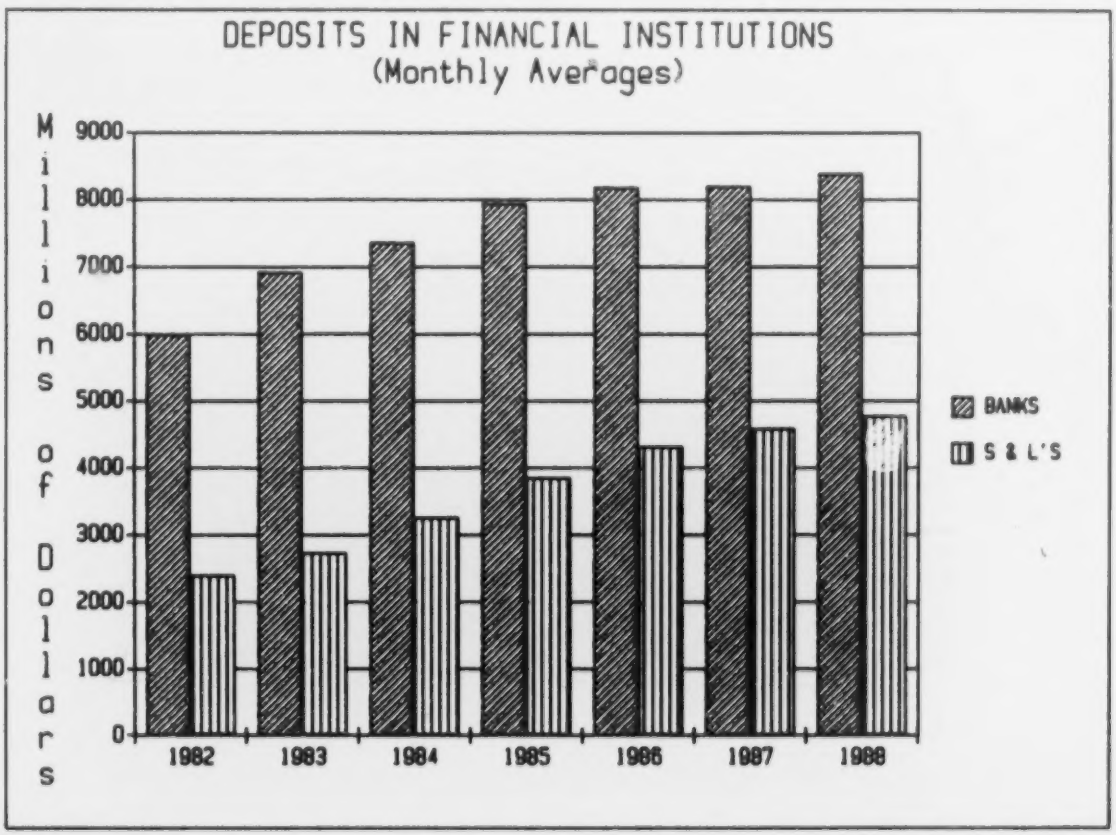
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



FINANCIAL ACTIVITY
($ Millions)

FINANCIAL INSTITUTIONS	1978	1982	1983	1984	1985	1986	1987	1988 p	% Change 1987-1988
Banks [1]									
Assets	$4,521	$7,115	$8,057	$8,648	$9,182	$9,516	$9,579	$9,816	2.5
Deposits	4,025	6,007	6,935	7,376	7,956	8,196	8,212	8,405	2.4
Gross Loans	2,654	3,816	4,253	5,000	5,466	5,608	5,664	na	na
Savings & Loan Associations									
Assets [2]	$1,934	$2,932	$3,411	$4,043	$4,640	$5,360	$6,043	$5,819 [4]	-3.7 [5]
Deposits [2]	1,617	2,408	2,742	3,268	3,862	4,326	4,597	4,787 [4]	4.2 [5]
Mortgage Loans Closed [3]	617	455	980	1,364	1,471	1,820	1,516	1,003 [4]	-30.6 [5]
MISCELLANEOUS [3]									
Life Insurance Sales	$1,514	$3,354	$4,142	$4,194	$4,630	$4,734	$4,791	na	na
New Business Incorporations	2,590	2,455	2,475	2,878	2,843	2,495	2,433	2,274	na

na Not available.
p Preliminary.
1 Midyear figures.
2 Monthly averages.
3 Annual totals.
4 First eleven (11) months of the year.
5 Percent change based on 11 months of 1988 compared to 11 months of 1987.
Source: The Federal Reserve Bank; Federal Home Loan Bank of Dallas; Federal Deposit Insurance Corporation; Life Insurance Fact Book, various issues; and Dun & Bradstreet, Inc.



SERVICES, RECREATION AND TOURISM

EMPLOYMENT IN SERVICES IN NEW MEXICO*
(Monthly Averages)

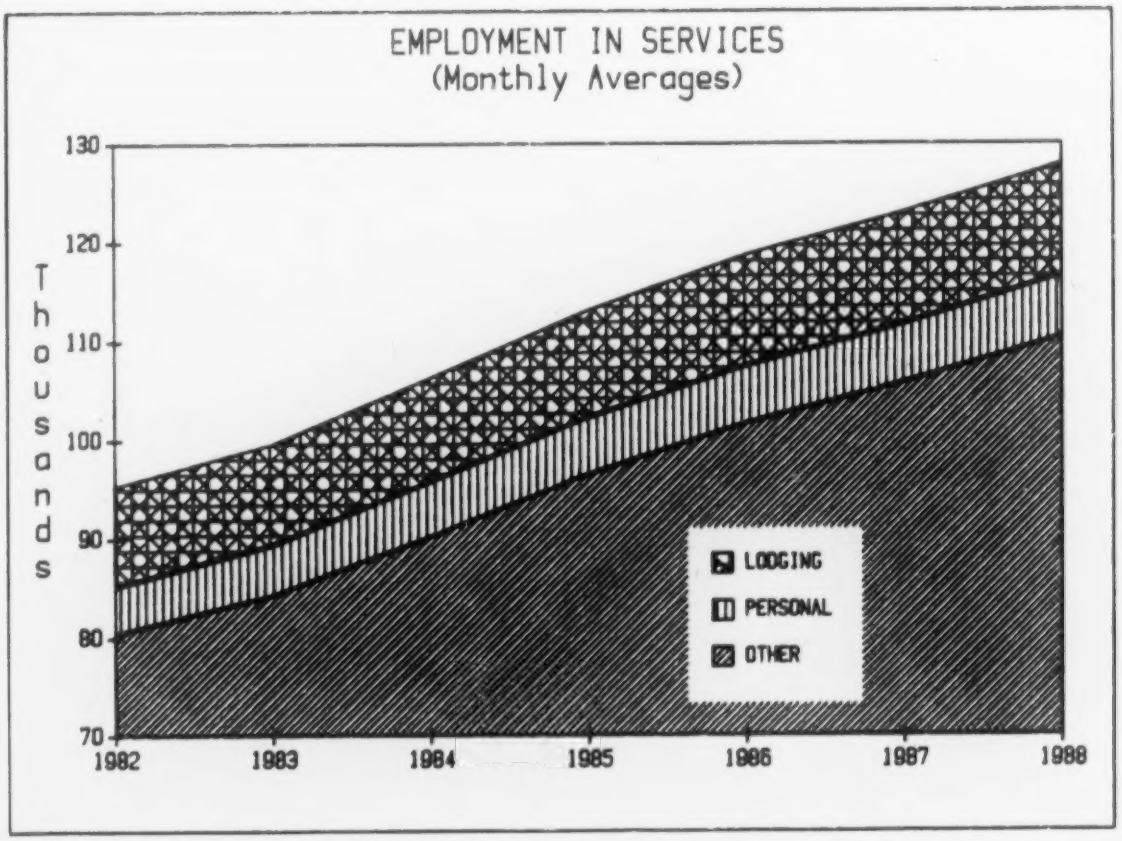
	1978	1982	1983	1984	1985	1986	1987	1988 p	% Change 1987-1988
TOTAL	87,300	95,500	99,700	106,300	113,200	118,900	123,000	127,900	4.0
Lodging Establishments	9,200	10,200	10,300	10,600	10,900	11,300	11,400	11,400	0.0
Personal	4,500	4,800	5,100	5,600	5,800	5,800	5,900	6,200	5.1
Business	16,500	21,000	22,000	24,400	26,700	28,500	29,800	31,600	6.0
Health	18,200	23,800	25,100	26,000	27,100	29,300	30,400	31,700	4.3
Social	12,800	6,600	6,600	7,000	7,100	6,900	7,200	7,700	6.9
Nonprofit Organizations	5,800	4,800	5,400	5,700	6,300	6,400	6,600	6,600	0.0
Other	20,300	24,200	25,200	27,100	29,300	30,600	31,800	32,800	3.1

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.

INDICATORS OF RECREATION AND TOURISM IN NEW MEXICO

	1978	1982	1983	1984	1985	1986	1987	1988 p	% Change 1987-1988
AVERAGE MONTHLY EMPLOYMENT									
Lodging Establishments	9,200	10,200	10,300	10,600	10,900	11,300	11,400	11,400	0.0
Eating & Drinking Places	25,500	29,500	31,500	33,700	35,400	37,500	38,900	40,400	3.9
VISITS TO NATIONAL PARKS & MOUNMENTS									
Annual Total	1,940,550	1,866,398	1,732,645	1,782,910	1,773,459	2,004,642	1,968,414	2,014,994	2.4
Quarterly Total: I	309,570	263,433	243,439	255,016	232,869	368,106	290,611	289,803	-0.3
II	584,590	619,139	530,384	604,526	573,941	608,487	634,307	633,884	-0.1
III	809,440	731,139	712,204	665,661	691,280	748,416	762,509	772,966	1.4
IV	236,950	252,687	246,618	257,707	275,369	279,633	280,987	318,341	13.3

p Preliminary.
Source: New Mexico Department of Labor; U.S. Department of the Interior, National Park Service; and the New Mexico Energy, Minerals and Natural Resources Department, Park and Recreation Division.
Note: Visits to state parks are excluded, since 1988 data are inconsistent with prior years.

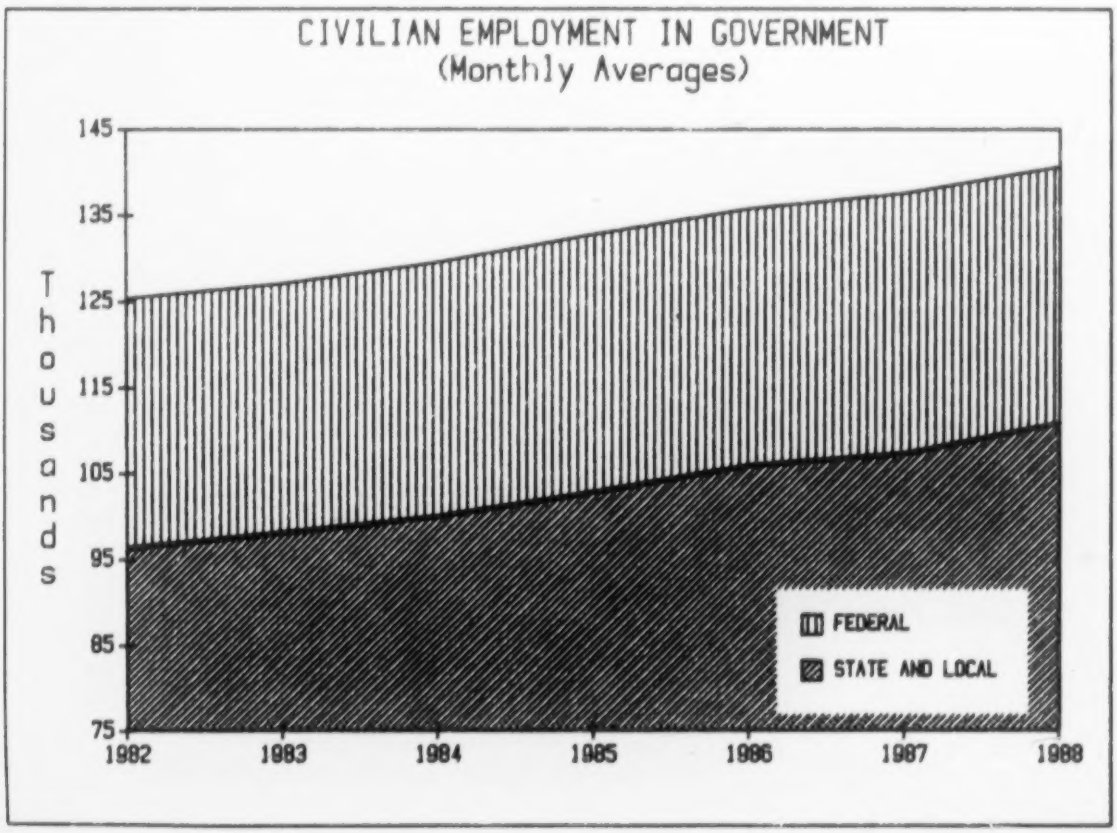

EMPLOYMENT IN SERVICES
(Monthly Averages)
Thousands
130
120
110
100
90
80
70
1982
1983
1984
1985
1986
1987
1988
LODGING
PERSONAL
OTHER

GOVERNMENT EMPLOYMENT

CIVILIAN EMPLOYMENT IN GOVERNMENT IN NEW MEXICO*
(Monthly Averages)

	1978	1982	1983	1984	1985	1986	1987	1988 p	% Change 1987-1988
TOTAL	116,600	125,600	127,200	129,700	132,800	135,900	137,600	140,800	2.3
Federal	29,000	29,200	29,100	29,700	30,100	30,000	30,400	29,900	-1.6
State & Local	87,700	96,300	98,100	100,000	102,800	105,900	107,300	110,900	3.4
State	38,100	43,100	43,600	44,600	46,700	48,300	47,900	48,700	1.7
Local	49,600	53,200	54,500	55,400	56,100	57,600	59,400	62,200	4.7

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



Population Outlook for New Mexico: 1985–2010

As of July 1, 1987, New Mexico's population was estimated at 1,500,000. In the year 2000, the population is projected to be 1,864,000. Even at a much slower annual growth rate of 1.29 percent between 2000 and 2010, New Mexico's population will still increase by approximately 257,700 persons, resulting in a total population of 2,121,700.

Compared to the United States as a whole, New Mexico is growing faster. Between 1990 and 2010, the projected growth rate for the United States is 0.61 percent per year. New Mexico, by comparison, will be growing at an average of 1.46 percent per year, a decline from an annual growth rate of 1.76 percent between 1985 and 1990.

The gradual decline of the state's population growth is due to a combination of factors. Demographic and economic events which occur at the national level interact with regional trends. For instance, as a result of the "baby bust" in the 1970s, the national pool of young adults, which represents the largest portion of interstate movers, will decline over the next 15 years. Nationally, the projections for the 20–29 year age group show a decline from 43 million in 1985 to 35 million at the turn of the century. With a dwindling pool of interstate movers, there will be greater competition among the states.

New Mexico's slow economic recovery in the 1980s is expected to continue into the 1990s. This economic slowdown will have important implications on the number of migrants who will be attracted to the state for economic reasons. In general, within the next decade, the role of migration in the state's population growth is projected to decline. As such, New Mexico's population growth will depend largely on natural increase.

Although New Mexico's fertility rates will decline after 1990, the levels will still be higher than that of the nation as a whole. As with the rest of the United States, however, mortality will decline at a modest pace. These trends will continue till the next century. As a consequence, the age structure of New Mexico's population will change very little over the next 25 years. The state will continue to have a younger population than that of the United States.

Specifically, after 1990, the birth rate will decline, resulting in a reduction in the proportion of children in the youngest age groups. In 2010, the proportion of children aged 0–4 years will be about 8 percent as compared to about 10 percent for 1985. At the same time, the proportion of the population in the 65 years and over category will steadily, albeit slowly, increase. Between 1985 and 2010, this age group is projected to grow by 87 percent. In 2010, 13 percent of the state's population will be 65 years or older (compared to 10 percent in 1985). The growth of the elderly population, however, will accelerate after 2010 as the baby boom cohorts reach their retirement age.

These patterns and rates of growth, however, will be uneven across the state. Bernalillo County, for instance, will remain the most populous county. From a population of 464,500 in 1985, this county's population is projected to increase to 647,000 in 2010. The second most populous county is Dona Ana, followed by San Juan, Santa Fe and McKinley. This ranking is expected to be maintained over the next 25 years.

On the other hand, Harding County, with a population of approximately 1,000 in 1985, is projected to lose population to 800 by 2010. Similarly, De Baca, Catron, Mora and Guadalupe are expected to sustain reductions in their populations even as they continue to grow through natural increase. This net loss will be attributable to outmigration, particularly among those in the younger age groups.

Although Bernalillo County will continue to have the largest population, Sandoval County (with an average annual growth rate of 3.1 percent between 1985 and 2010) will be the fastest growing county in the state. The second fastest growing county will be Valencia with a yearly growth rate of 2.31 percent. A significant proportion of the growth rates of both counties which border on Bernalillo County is the result of urban migration. More than 60 percent of Sandoval's growth between 1985 and 2005 can be attributed to migration. Most of this growth, however, is heavily concentrated in the rapidly emerging city of Rio Rancho. Its proximity to Albuquerque and the availability of affordable housing makes Rio Rancho an attractive destination for upwardly mobile migrants. Although Valencia County to the south of Albuquerque has characteristics similar to Sandoval, migration as a source of growth for Valencia becomes less important after 1990; natural increase as a source of growth for Valencia will become more important.

In contrast, the counties of Cibola, Lea, McKinley and San Juan suffered heavy population losses as a result of the 1980s oil bust and the decline of the mining industries. The population attrition due to outmigration from these counties was compensated to a large extent by high rates of natural increase. These counties have relatively young populations who exhibit high fertility patterns and low mortality rates. In fact, the population growth of Lea, San Juan and McKinley counties are almost exclusively the result of natural increase. In the case of Cibola, at least 80 percent of its population increase can be attributed to natural increase.

Although the high fertility rates prevailing in these counties are projected to decline after the year 2000, they will remain higher, on average, than other areas of the state. Consequently, these counties will continue to have a young population age structure. During the next 25 years, at least 10 percent of their populations will be less than five years old. This contrasts with the state, which overall will only have about 8 percent of its population in the ages 0 to 4 years.

At the opposite end of this trend is Sierra County. This county is projected to have 43 percent of its population in the 65 years and over age group. This older age structure leads to a natural "decrease" in Sierra's population; the number of deaths are greater than the number of births. However, because of

positive net migration, this county will continue to grow until the year 2000. After 2000, Sierra's population is projected to decline as inmigration to this county decreases.

Other counties will also have significant proportions of their populations in the 65 years and older age group in the next 25 years. These are De Baca (24 percent), Los Alamos (23 percent), Luna (23 percent), and Quay (20 percent). The rest of the counties will only have between 10 and 20 percent of their populations in this oldest age category.

In general, the aging population of New Mexico will have ramifications for the state's economic and social policies. For instance, an older population, with their attributes of responsibility and experience, may contribute to the maintenance of a stable and conservative economy. A relative lack of younger people entering the labor force may be a detriment, if the policy goal is an expanding economy.

Moreover, poverty rates tend to increase sharply with older age groups. This is partly due to the substantial reductions in income as a result of retirement and also because of the increased likelihood of major expenditures for health care. As the population ages, chronic health conditions become more prevalent. This may necessitate increases in public assistance for social services and health care.

Ironically, in spite of this aging trend, the state will still be faced with the prospect of providing for the needs of a young population. This will be particularly evident in counties where there are heavy concentrations of Native Americans and Hispanics. Increases in health and medical facilities geared toward maternal and child care will be required for those counties with a young population. More schools, teachers and day care facilities will be needed to meet the needs of counties whose fertility remains high.

The state is also faced with the problem of rural outmigration and urban inmigration. Trends in the population projections support the association that the "big get bigger" while the "small get smaller." Such factors are the result of the urbanization of rural outliers which are adjacent to large population centers. This trend is especially affected by improvements in transportation which serve to cut the commuting time to urban centers. This, in turn, lends to the socio-economic stratification of the state. Rural areas continue to be impoverished and their smaller populations become less competitive with the larger and more economically vital urban centers. The above factors, as such, will continue to pose the greatest challenges to our state.

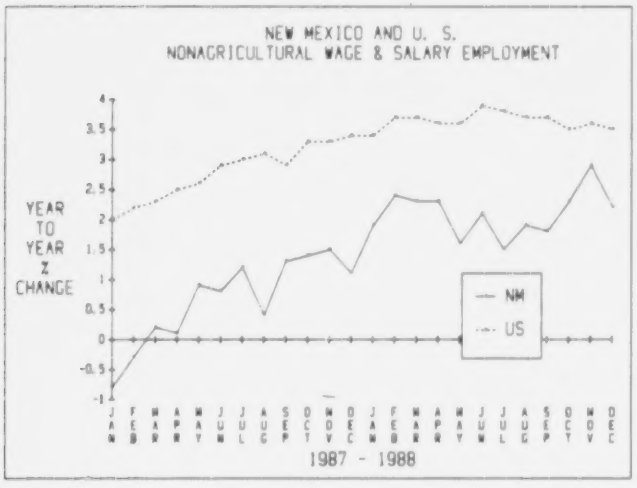
Adelamar Alcantara
Demographer

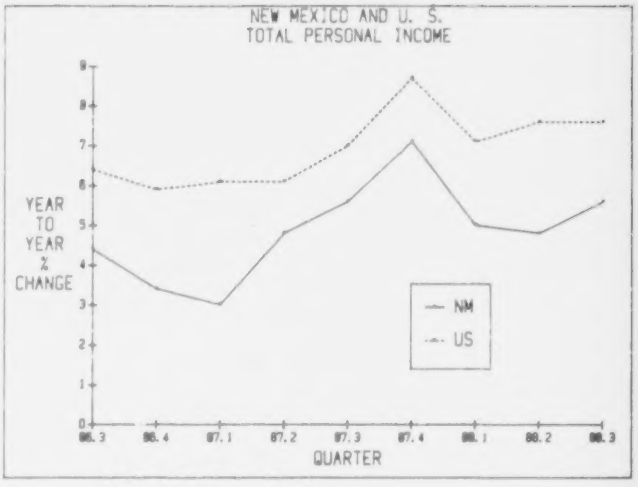
NEW MEXICO POPULATION PROJECTIONS BY COUNTY

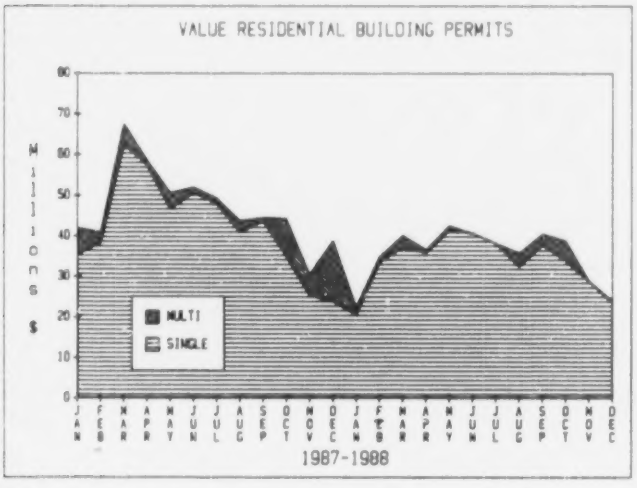
	Year					
	1985	1990	1995	2000	2005	2010
New Mexico	**1,451,700**	**1,585,200**	**1,727,600**	**1,864,000**	**1,997,300**	**2,121,700**
Bernalillo	464,500	508,300	547,200	581,800	615,400	647,000
Catron	2,700	2,900	3,000	3,200	3,300	3,400
Chaves	56,100	58,200	61,800	65,100	68,400	71,400
Cibola	23,500	20,700	23,000	25,500	28,000	30,300
Colfax	14,200	14,700	15,500	16,200	16,900	17,600
Curry	43,000	45,000	46,500	47,300	48,500	49,700
De Baca	2,400	2,400	2,300	2,200	2,100	2,100
Dona Ana	118,700	140,300	159,600	178,500	195,600	210,300
Eddy	51,900	52,000	55,800	59,400	62,800	66,300
Grant	27,100	28,000	28,300	30,000	31,500	33,400
Guadalupe	4,400	4,500	4,500	4,600	4,700	4,700
Harding	1,000	1,000	800	800	800	800
Hidalgo	6,300	6,800	7,100	7,500	8,000	8,500
Lea	64,800	66,000	71,200	77,400	84,100	91,000
Lincoln	13,900	14,000	15,300	16,600	17,800	19,100
Los Alamos	18,000	18,600	19,100	19,600	19,700	19,500
Luna	17,600	19,700	21,400	22,400	23,200	23,800
McKinley	64,200	72,000	80,900	90,100	99,200	109,000
Mora	4,600	4,600	4,500	4,400	4,200	4,100
Otero	50,000	55,500	60,300	64,900	69,100	73,200
Quay	11,800	11,700	11,600	11,600	11,700	11,800
Rio Arriba	32,800	36,100	39,700	43,400	47,000	50,600
Roosevelt	16,600	17,000	17,100	17,400	17,800	18,400
Sandoval	47,500	60,800	72,800	84,500	95,500	103,000
San Juan	91,500	98,000	110,900	123,800	138,400	153,100
San Miguel	25,000	27,000	29,200	31,100	33,000	34,800
Santa Fe	84,200	94,600	102,100	108,900	114,900	119,800
Sierra	9,300	10,000	10,400	10,500	10,400	10,300
Socorro	14,300	16,000	18,000	20,000	21,900	23,800
Taos	22,000	23,100	25,200	27,100	29,000	31,000
Torrance	8,900	9,700	10,600	11,400	12,200	13,000
Union	5,000	5,000	5,100	5,100	5,000	5,100
Valencia	34,600	41,200	46,500	51,700	56,800	61,600

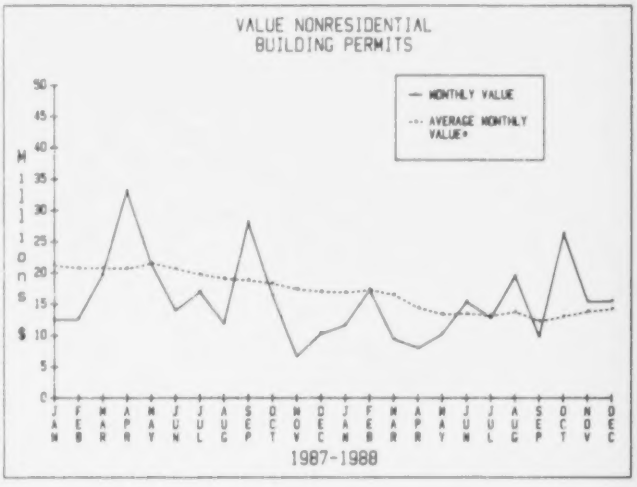
Source: Bureau of Business and Economic Research, University of New Mexico.

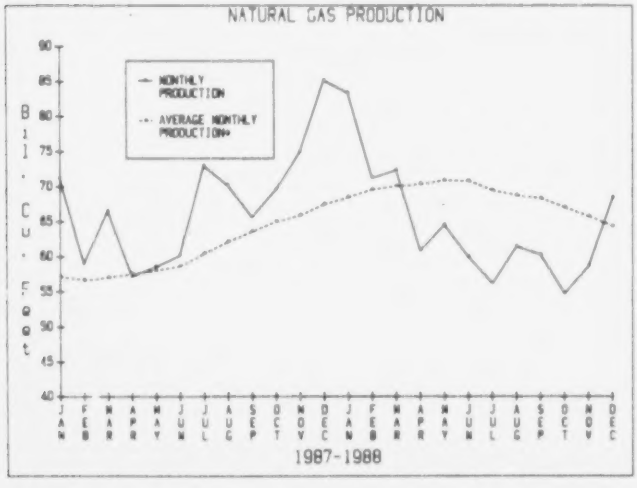
ECONOMIC TRENDS IN NEW MEXICO

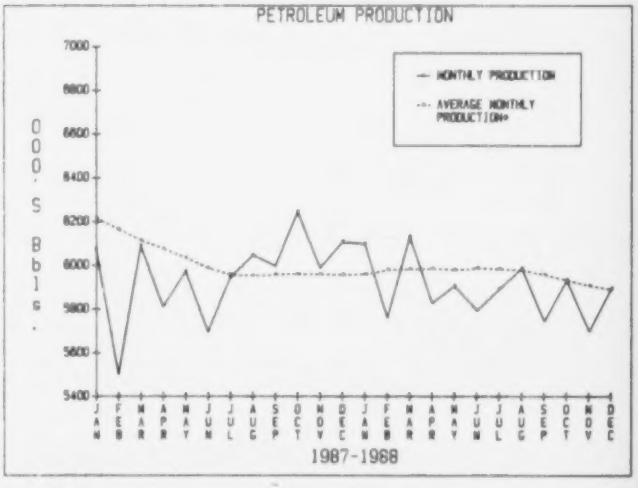












U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1982-84=100)				
All items	Dec 88	120.5	4.4	120.3
Food and beverages	Dec 88	120.6	5.1	120.2
Housing	Dec 88	120.2	4.0	119.9
Apparel and upkeep	Dec 88	118.0	4.7	119.9
Transportation	Dec 88	110.8	3.0	110.7
Medical care	Dec 88	142.3	6.9	141.8
Entertainment	Dec 88	122.8	4.6	122.2
Other goods and services	Dec 88	141.3	7.0	141.0
Revised series, wage earners and clerical workers (1982-84=100)				
All items	Dec 88	119.2	4.4	119.0
Gross national product* ($Bil. constant)	Q4 88	4029.2	2.7	4009.4
Prime interest rate** (% per annum)	Dec 88	10.5	20.0	10.5
Mortgage interest rate*** (% per annum)	Dec 88	9.4	2.6	9.4
3 month treasury bill# (% per annum)	Dec 88	8.1	39.5	7.7
Industrial production## (1977=100)	Dec 88	140.2	4.7	139.8
Manufacturers new orders## ($Bil.)	Nov 88	227.9	8.9	227.1

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Dec 88	637.0	1.4	643.8	115,978	2.0	116,314
Unemployment rate (%)	Dec 88	6.4	-20.0	6.4	5.0	-7.4	5.2
Nonagricultural employment (000)	Dec 88	549.6	2.2	553.2	108,487	3.5	108,313
Personal income### ($Mil.)	Q3 88	18,941	5.6	18,581	4,074,838	7.6	4,003,546
Housing units permitted							
Single	Dec 88	312	0.6	373	64,414	5.5	73,286
Multi	Dec 88	16	-96.5	5	37,788	15.7	37,388

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
Monthly data seasonally adjusted.
Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
1. GENERAL				
Civilian labor force* (000)	Dec 88	680.3	-0.4	687.7
Total employment* (000)	Dec 88	637.0	1.4	643.8
Unemployment* (000)	Dec 88	43.3	-20.4	44.0
Unemployment rate (%)	Dec 88	6.4	-20.0	6.4
Weekly new unemployment insurance claims	Dec 88	1295.0	-7.6	1257.0
Nonagricultural wage/salary employment**(000)	Dec 88	549.6	2.2	553.2
Personal income*** ($ mil.)	Q3 88	18941.0	5.6	18581.0
New business incorporations	Sep 88	213.0	3.4	209.0
Business failure liabilities ($ 000)	Nov 88	11565.0	601.8	168266.0
2. AGRICULTURAL RECEIPTS				
Livestock and products ($ mil.)	Nov 88	140.3	56.6	148.0
Crops ($ mil.)	Nov 88	45.2	8.9	35.0
Total ($ mil.)	Nov 88	185.5	41.5	183.0
3. MINING				
Employment** (000)	Dec 88	15.6	-1.3	15.4
Average hourly earnings ($)	Dec 88	12.48	7.7	12.31
Petroleum production (000 bbls.)	Dec 88	5894.5	-3.5	5697.2
Natural gas production (bil. cu. ft.)	Dec 88	68.4	-19.6	58.6
Coal production (000 short tons)	Dec 88	1675.0	1.1	1583.0
Oil well completions&	Dec 88	35.0	-20.5	33.0
Gas well completions&	Dec 88	35.0	66.7	15.0
Total footage drilled&& (000)	Dec 88	372.4	-14.9	358.2
Oil sales ($ mil.)	Nov 88	64.6	-35.0	70.3
Gas sales ($ mil.)	Nov 88	79.5	-26.3	73.6
4. CONSTRUCTION				
Employment** (000)	Dec 88	29.7	-6.0	30.7
Average hourly earnings ($)	Dec 88	11.46	9.1	11.10
Residential units permitted	Dec 88	328.0	-57.3	378.0
Residential building permits ($ mil.)	Dec 88	24.1	-38.2	28.9
Nonresidential building permits ($ mil.)	Dec 88	15.4	51.0	15.3
Residential construction contracts ($ mil.)	Dec 88	39.4	-5.7	34.9
Nonresidential construction contracts ($mil.)	Dec 88	15.8	-18.6	25.6
Nonbuilding construction contracts ($ mil.)	Dec 88	14.1	-43.6	19.6
5. TRANSPORTATION/COMMUNICATION/UTILITIES				
Employment** (000)	Dec 88	28.9	-2.4	29.0
Average hourly earnings## ($)	Dec 88	13.60	2.6	13.69
6. MANUFACTURING				
Employment** (000)	Dec 88	40.4	3.3	40.5
Average hourly earnings ($)	Dec 88	8.88	0.9	8.87
Electric & electronic equipment employment** (000)	Dec 88	5.6	7.7	5.6
Transportation equipment employment** (000)	Dec 88	5.4	10.2	5.4
Food & kindred products employment** (000)	Dec 88	3.9	0.0	4.0
Textile & apparel employment** (000)	Dec 88	2.6	0.0	2.7
Lumber & wood products employment** (000)	Dec 88	2.4	-7.7	2.4

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
7. TRADE				
Wholesale employment** (000)	Dec 88	23.4	1.3	23.4
Retail employment** (000)	Dec 88	112.2	4.3	110.6
Average hourly earnings ($)	Dec 88	6.63	-3.2	6.59
8. FINANCE/INSURANCE/REAL ESTATE				
Employment** (000)	Dec 88	27.4	2.2	27.1
Bank average hourly earnings ($)	Dec 88	6.40	6.7	6.40
Bank total assets ($ mil.)	Q4 87	9762.9	-1.1	9430.4
Bank total deposits ($ mil.)	Q4 87	8374.6	-1.7	8092.7
Bank gross loans ($ mil.)	Q3 87	5671.0	2.4	5663.6
S & L total assets ($ mil.)	Nov 88	5480.0	-10.0	5589.0
S & L total deposits ($ mil.)	Nov 88	4678.0	1.2	4686.0
S & L new mortgage loans closed&&& ($ mil.)	Nov 88	72.0	-10.0	79.0
9. SERVICES AND TOURISM				
Total service employment** (000)	Dec 88	129.4	3.8	127.9
Lodging employment** (000)	Dec 88	11.2	0.0	11.3
Eating & drinking places employment** (000)	Dec 88	41.4	6.2	41.6
Visits to state parks (000)	Dec 88	111.3	-13.9	212.2
Visits to national parks/monuments (000)	Dec 88	77.5	30.7	88.0
Passenger traffic at Albuquerque airport@ (000)	Dec 88	360.9	8.0	353.6
Lodgers tax receipts### ($ 000)	Q3 88	3028.2	16.0	2285.1
Lodging occupancy rates (%)	Dec 88	45.8	2.5	54.8
10. GOVERNMENT				
Total government employment** (000)	Dec 88	142.6	2.1	148.6
Federal employment** (000)	Dec 88	29.6	0.0	29.7
State employment** @@ (000)	Dec 88	49.8	1.4	50.6
Local employment** (000)	Dec 88	63.2	3.6	68.3
Total general fund revenues@@@ ($ mil.)	Nov 88	147.5	8.5	128.8

Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
A portion of the increase in lodgers tax receipts is attributable to an increase in the rate levied by the City of Santa Fe. The rate increased from 3 to 4 percent as of July 1, 1987.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,955 as of August 1986 according to U. S. Dept. of Energy, Public Affairs.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
New Mexico Regulation and Licensing Dept., Financial Institutions Division: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Pannell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE##
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* OCT-DEC	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* JUL-SEP
Alamogordo	$ 14,908	3.4	$ 14,511
Albuquerque	238,479	5.6	250,079
Artesia	4,681	-0.9	4,998
Carlsbad	11,512	3.8	12,606
Clovis	17,570	11.0	18,333
Deming	5,536	7.7	5,813
Espanola	6,868	-3.2	7,745
Farmington	29,473	8.1	28,902
Gallup	22,186	0.4	25,208
Hobbs	16,357	1.4	17,806
Las Cruces	35,552	3.3	37,415
Las Vegas	5,866	-5.9	6,425
Los Alamos	6,361	12.5	7,082
Portales	5,236	7.7	5,100
Rio Rancho	5,921	29.1	6,457
Roswell	18,533	2.8	19,453
Ruidoso	4,903	-5.4	7,319
Santa Fe	53,004	5.7	61,518
Silver City	7,995	-5.1	8,852
Taos	8,018	10.4	9,787
State total	661,101	4.7	731,919

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
\#\# Estimates for May, 1987 based on incomplete data.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.
Note: Rio Rancho now replaces Grants in the top 20 cities.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	DEC. 1988	DEC. 1987	CUMULATIVE TOTAL THROUGH DEC. 1988	CUMULATIVE TOTAL THROUGH DEC. 1987	DEC. 1988	DEC. 1987	CUMULATIVE TOTAL THROUGH DEC. 1988	CUMULATIVE TOTAL THROUGH DEC. 1987
NEW RESIDENTIAL**								
Alamogordo	8	4	97	246	$ 506	$ 257	$ 5,600	$ 10,396
Albuquerque	129	478	2,129	3,410	9,347	20,622	148,391	209,377
Carlsbad	1	5	31	82	88	200	1,888	4,553
Clovis	0	2	30	96	0	194	2,431	6,000
Farmington	1	5	31	76	55	208	1,996	4,071
Hobbs	1	1	7	26	116	70	999	1,524
Las Cruces	20	37	530	678	1,123	1,994	26,355	29,790
Los Alamos	1	1	22	61	215	102	2,762	8,310
Rio Rancho***	43	54	929	888	2,084	2,702	41,154	47,558
Roswell	6	3	66	185	538	195	4,885	8,057
Ruidoso	0	0	45	67	0	0	3,231	4,286
Santa Fe	30	97	756	567	2,439	5,574	36,563	30,663
NEW NONRESIDENTIAL								
Alamogordo	4	0	62	49	221	0	3,696	2,353
Albuquerque	3	2	53	37	10,609	3,800	71,945	64,427
Carlsbad	2	0	62	59	53	0	724	715
Clovis	0	5	20	28	0	197	5,667	2,470
Farmington	1	1	15	27	183	86	2,355	2,629
Hobbs	2	0	5	8	107	0	479	565
Las Cruces	2	7	161	147	165	969	11,122	10,873
Los Alamos	0	2	15	19	0	1	299	1,137
Rio Rancho***	1	1	16	37	223	87	6,971	9,179
Roswell	1	3	70	96	1,085	365	2,750	2,758
Ruidoso	1	0	12	3	2	0	97	500
Santa Fe	6	6	49	62	574	1,077	7,050	11,170

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi family units.
*** City of Rio Rancho reported Rio Rancho data.

Sources: City of Rio Rancho: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r
TOTAL CIVILIAN LABOR FORCE	680.3	-0.4	687.7	262.9	-0.2	263.2	54.7	1.7	57.2	64.6	-1.4	66.2
Employment@	637.0	1.4	643.8	250.3	1.0	250.0	51.4	2.6	53.8	61.9	0.0	63.4
Unemployment	43.3	-20.4	44.0	12.6	-19.2	13.3	3.3	-8.3	3.3	2.7	-22.9	2.8
Unemployment rate (%)	6.4	-20.0	6.4	4.8	-18.6	5.0	6.0	-10.4	5.8	4.2	-22.2	4.2
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	549.6	2.2	553.2	239.2	1.6	238.9	41.7	3.5	42.1	55.3	1.3	55.8
Mining	15.6	-1.3	15.4	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	29.7	-6.0	30.7	14.9	-6.3	15.1	2.1	10.5	2.1	2.5	-7.4	2.6
Manufacturing	40.4	3.3	40.5	20.3	0.5	20.3	3.7	-5.1	3.9	1.7	6.3	1.7
Durable goods	27.3	4.2	27.3	14.6	0.0	14.6	1.6	-5.9	1.6	1.1	10.0	1.1
Nondurable goods	13.1	1.6	13.2	5.7	1.8	5.7	2.1	-4.5	2.3	0.6	0.0	0.6
Transportation & public utilities	28.9	-2.4	29.0	12.7	0.8	12.6	1.4	0.0	1.4	1.2	0.0	1.1
Trade	135.6	3.7	134.0	63.0	3.1	61.9	9.2	5.7	9.1	11.2	4.7	11.0
Wholesale	23.4	1.3	23.4	14.4	0.0	14.4	1.0	11.1	1.0	0.9	0.0	0.9
Retail	112.2	4.3	110.6	48.6	4.1	47.5	8.2	5.1	8.2	10.4	6.1	10.2
Finance,insurance, & real estate	27.4	2.2	27.1	15.1	1.3	15.0	1.8	5.9	1.8	1.9	-5.0	1.9
Services	129.4	3.8	127.9	66.3	1.8	65.9	6.8	6.3	6.6	14.5	1.4	14.5
Government	142.6	2.1	148.6	46.8	2.6	48.0	16.8	2.4	17.2	22.3	1.4	22.9
Federal	29.6	0.0	29.7	13.1	0.8	13.1	4.2	-2.3	4.3	1.6	6.7	1.6
State	49.8	1.4	50.6	12.3	0.8	13.0	7.0	4.5	7.0	16.5	0.6	16.5
Local	63.2	3.6	68.3	21.4	4.9	21.9	5.6	3.7	5.9	4.2	2.4	4.8

N Not available, less than 50 jobs.
P Preliminary.
R Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Department of Labor.

Countdown to 1990 Census Escalates

In just over a year from now, over 300,000 individuals will join forces to perform this country's largest peacetime activity. Americans from every city, township, military base and reservation will take an active role in reshaping the face of America. The Constitution requires that the number of seats in the U.S. House of Representatives be determined by enumerating the entire country every ten years. April 1, 1990 marks the 200th year of census taking. What most people don't realize is that the groundwork for the 1990 Census is well underway.

The Census Bureau began formal planning for the 1990 Census in October of 1983. The Bureau formed advisory committees comprised of minority organizations, tribal governments, planners, educators, business leaders, state and local officials, federal agencies and private organizations. Consultations with these groups led up to three test censuses and a dress rehearsal during which the methodology was tested. Since 1984, Congress has held hearings to update and revise the questionnaire's subject content. To generate participation from local communities, the Bureau held a series of public meetings nationwide on census procedures and the questionnaire content.

Now that the questionnaire has been approved by Congress, the Census Bureau will spend nearly a year printing 100 million questionnaires. In 449 field offices, census takers will count some 250 million people and 106 million housing units.

To ensure a most accurate census for 1990, the Bureau has made significant advancements in the field of automation. Computer software was tested during dress rehearsals in St. Louis, Missouri, East Central Missouri and eastern Washington state. Automation technicians are now installing mini computers in District Offices all over the country.

The Census Bureau opened New Mexico's Master District Office in Albuquerque in January to conduct pre-census operations. Later this year offices will open in Las Cruces and Santa Fe. At peak those offices will employ 500 or more census takers, clerks and field personnel.

For the 1990 Census, the Bureau has hired an outreach staff in each of its 12 regions to concentrate on areas of population which are traditionally undercounted. Community awareness, media and data specialists will help implement a variety of programs to give the entire country the opportunity to become actively involved in the Census. Those programs include:

COMPLETE COUNT—A volunteer committee comprised of local officials, business, religious, academic and community leaders. The committee will work along with the Census outreach staff to promote and publicize the Census, especially

within traditionally undercounted populations. Local Complete Count committees must rely on financial support from local businesses to fund promotional activities.

TRIBAL LIAISON—A program designed to improve participation among American Indians and Alaska Natives in the 1990 Census. Contact persons designated by each tribe will serve as liaisons to inform tribes of the census process and to assist in recruitment.

NETWORKS—Ongoing community meetings designed to update local organizations on the progress of the census, the questionnaire, practical data uses and other census-related projects.

CENSUS EDUCATION PROJECT—A formal nationwide teaching tool, complete with lesson plans, background information and curriculum. In March of 1989, 120,000 kits will be mailed to school districts across the country. Superintendents and principals will be asked to incorporate the lessons into classrooms during the spring of 1990.

DATA SERVICES—A service provided by the Bureau to answer requests for Census data, geographic materials, publications and other information. The Bureau also offers training to data users through community workshops, exhibits and presentations.

UNIVERSITY INITIATIVE PROJECT—A program designed to create a positive, supportive relationship between the Census and minority universities and colleges.

LANGUAGE ASSISTANCE—The 1990 Census questionnaire will be printed in both Spanish and English, but the Bureau will provide language assistance in as many as 30 languages through toll-free 800 telephone numbers. Walk-in and telephone assistance centers will be located throughout the country.

With the kind of growth the state is experiencing, New Mexico has a lot to gain from an accurate count of its inhabitants. Each year between 35 and 40 billion dollars is distributed in this country on the basis of census data. The Census Bureau's 1988 edition of the *County and City Data Book* indicates that Los Alamos County received the highest amount of federal funds and grants per capita in the United States in 1986.

At the local level, an operation known as "Precanvass" will be the first handled by the District Office. In an effort to assemble an accurate and comprehensive address list, the Bureau purchases commercial address lists in urban metropolitan areas, but in more remote, suburban areas, the Bureau must create its own.

Overall, the decennial census is a 90 percent mailout-mailback operation. In New Mexico, however, residents in portions of every county except Bernalillo and Santa Fe will receive a census questionnaire in the mail, but wait for a census taker to collect the form in person.

Considering the time and effort it takes to gear up for the decennial census, it would seem that preparations for counting American's population in the year 2000 could not be far behind.

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